

A Special Meeting of the Hickory City Council was held in Hickory, North Carolina on Thursday, May 12, 2022, at Catawba Valley Community College, in the Workforce Solutions Complex, located at 1980 Startown Road.

Thursday, May 12, 2022

On Thursday, May 12, 2022 at approximately 8:30 a.m., a Special Council-Staff Retreat was convened.

The following members were present: Mayor Hank Guess, Alderman Tony Wood, Alderwoman Charlotte Williams, Alderman David Zagaroli and Alderwoman Jill Patton. A quorum was present.

Staff present were: City Manager Warren Wood, Assistant City Manager Rick Beasley, Assistant City Manager Rodney Miller, Planning Director Brian Frazier, Public Works Director Steve Miller, Director of Parks and Recreation and Sports Tourism Mark Seaman, Deputy City Attorney Arnita Dula, Fire Chief Matt Hutchinson, Airport Manager Terry Clark, Library Director Sarah Greene, Police Chief Thurman Whisnant, Assistant Executive Manager Yaidee Fox, Communications and Marketing Manager Dana Kaminske, Communications Specialist Sarah Killian, Human Resources Interim Director Mitch Friar, Business Services Manager Dave Leonetti, Transportation Planning Manager John Marshall, Finance Officer Melissa Miller, Information Technology Manager Mike Woods, City Attorney John Crone, GIS, Governmental Affairs Analyst Sarah Prencipe, Intern Madison Midea, Public Utilities Director Shawn Pennell, Executive Assistant to the City Manager Deisy Zavala, and City Clerk Debbie D. Miller

Others Present were: Citizen Bob Vollinger, Catawba County Economic Development Corporation President, Scott Millar, Western Piedmont Workforce Development Interim Director Donna Gilbert, Director of Reich College of Education's Public-School Partnership with ASU, Dr. Betsy Rosenbalm, Hickory Public Schools Superintendent Dr. Bryan Taylor, Catawba County Public Schools Superintendent Dr. Matt Stover, K-64 Executive Director Chris Reese, Special Assistant to the President for Strategic Initiatives at Lenoir-Rhyne University Leah Beth, Catawba Valley Community College President Dr. Garrett Hinshaw, Appalachian State University Chancellor Dr. Sheri Everts

Media: Kevin Griffin

I. Welcome

Mayor Guess welcomed everyone and thanked Catawba Valley Community College (CVCC) and Dr. Garrett Hinshaw for allowing the City to use their facility for the retreat. He noted that those attending were mostly Hickory staff and he thanked each of them and all the other co-workers for the jobs they do. It had been a year since they had the last retreat. Even during the pandemic staff had showed up and did their jobs. He asked the Department Heads to share Council's appreciation for their efforts to all the other coworkers on behalf of Council. He welcomed special guest and the presenters who were in attendance. He mentioned that the key to the City's successes were their relationships with people in the community and beyond. The relationships and partnerships had paid off.

Celebrate Our Successes

City Manager Warren Wood thanked Deisy Zavala for putting the retreat together. He welcomed special guest and the presenters. He mentioned the great working relationship that Council members had with each other. He reiterated what Mayor Guess had said about the good partnerships and relationships. He presented a PowerPoint and discussed successes the City had. He discussed what was trending and accolades the City had received, Hickory Among Top 100 Best-Performing Cities, Milken Institute 4-20-2022; Hickory ranked No. 15 of Top 20 Hottest Housing Markets, 1-20-2022; Hickory listed among America's 10 Best Places to Live near the Mountains, 10-20-21; Hickory Ranked No. 2 Best Place to Retire in North Carolina, 9-16-2021; and Hickory among the Best and Most Affordable Places to Live, 7-13-2021.

City Manager Warren Wood mentioned the Hickory Foothills Cam, which had 322,706 views in 2022. He discussed the partnership with MetroNet to build a 100% fiber optic network to businesses and residents. MetroNet will invest more than \$36 million in the City and surrounding community. It was currently under construction. It had started in the Ridgeview and Kenworth community, and they would move forward from there. He discussed the single largest dollar amount project that the City had ever had, which was the Henry Fork Wastewater Treatment Facility biosolids handling facilities upgrade project. The project would be approximately \$34 million dollars. They would be making compost out of what comes through the wastewater treatment plant. This was anticipated to begin in the Summer of 2022.

City Manager Warren Wood discussed the Fire Training Facility. The City had a partnership with CVCC at their public safety training facility. Firefighters would now be able to train in town rather than in Morganton where they used to train at. That would save money in overtime and travel. Another partnership was Hickory Police Department and the Catawba County Sheriff's Office. They received a Federal Justice Assistance Grant for a Virtual Reality Training System.

City Manager Warren Wood mentioned that through all of Covid, all of the City's services continued even though they were short staffed. Citizens did not miss any of their services during that time and to some degree currently.

City Manager Warren Wood discussed the partnership with Burke County for an airport hangar construction. That would increase tax base for the planes at the airport. Burke County agreed to

take half of any additional revenue that they get and roll that back into building more hangars at the airport.

Deputy City Manager Rodney Miller advised the City was getting \$55,000 next month.

City Manager Warren Wood commented that was the first piece of that. The new hangar would be operational in June. They would talk later about building more T-hangars at the airport. He mentioned the trail system which consisted of over 11-miles. He showed a map of the trail system. He noted that Appalachian State had their new facility, and they would eventually create a leg off of the Aviation Walk to tie that facility into the Aviation Walk. He displayed photos of Union Square before and after the renovations from the bond program. He receives comments about how impressed people are with the completed project. There was a lot more life out there since the renovation. He discussed the Hickory Downtown Social District. City Council adopted the downtown social district which allowed the consumption of an alcoholic beverage in a defined area downtown following certain rules.

Deputy City Manager Rodney Miller mentioned that young folks want to see this. These were the types of things that would allow the City to attract the young folks to the City.

City Manager Warren Wood discussed the ribbon cutting on the City Walk. The City Walk was receiving a lot of activity from a diverse group of people. He showed before and after photos of One North Center. The City had an underutilized two-acre parking lot. Through an economic development agreement, they created One North Center. He advised there was a 300-person waiting list, and the developer was looking at phase two downtown to build approximately another 100 or so units. They were having discussions with the developer. That raised the bar downtown. He mentioned the Historic Ridgeview Walk, design was completed. It was getting close to being bid out. He noted the Ridgeview Branch Library had their grand opening. He discussed the partnership with NCWorks for career services at the Ridgeview Branch Library. They held the first Ridgeview Works Job Fair there. He discussed the Untouchables Monument. He explained the 1964 Ridgeview High School team was undefeated and unscored on. State Champions. The monument was spearheaded through the United Arts Council of Catawba County, and they secured a \$50,000 grant for the project from the Z. Smith Reynolds Foundation with support from the City.

Mayor Guess advised there was a movie script and the potential for a movie about this in the future.

City Manager Warren Wood mentioned there was a documentary on it as well. He discussed Center Crossing Senior Apartments, which was a block from City Hall. The apartments were one- and two-bedroom apartments, 50 units, for age 55 and older, low-to-moderate income citizens. That was also a great addition to downtown. He discussed affordable housing partnerships. They were taking City-owned vacant lots throughout town and turning them into affordable housing. He noted the cheapest they could build a house was approximately \$165,000. Two homes had been completed and six more were under construction in the Ridgeview community.

Alderman Wood mentioned the partnership with Habitat for Humanity was huge. The City was so fortunate to have that partnership.

City Manager Warren Wood discussed the crosswalk across Highway 70 in Ridgeview. This received State funding. He discussed the Riverwalk. The bond project was focused on giving the public more access to the lake. There was not a lot of public access to the lake on this side. He advised the on-land portion of the project was almost done, and the on-water portion was under construction. He displayed photos of the Riverwalk. He mentioned the Lackey Project Event Center.

Deputy City Manager Rodney Miller advised after seven years they had received all of the regulatory approvals. They were scheduling a joint meeting with City staff, the Lackey Family, and the architect. He referred to photos of the project on the PowerPoint. He pointed out the City's project, a green grassy area and picnic shelter. He noted a fishing pier which would have 8-10 boat slips. That was the City's portion of the project. The City was waiting on the Lackey Family as far as the timing of the project to coincide with their project and run parallel with theirs once they get started.

City Manager Warren Wood advised the City's side was approximately \$3 million dollars-worth of funding for that and was seeking those funds in the recommended budget.

Mayor Guess asked what the budget for that project was.

Deputy City Manager Rodney Miller advised the Lackey Family was at \$10-\$12 million. It was about 22,000 square feet. The project had gotten larger since the first discussions.

City Manager Warren Wood discussed the Aviation Walk, which was made possible by a \$17 million dollar grant from the USDOT. The City wanted to make sure there was an area for pedestrian activity on the west side due to the widening of US321. He reiterated they would tie this into ASU's facility as well. He mentioned the pedestrian bridge that would cross over US 321 and would possibly be installed late summer or late fall. He discussed ARC Funding projects the 9<sup>th</sup> Avenue Drive NW improvement project which would go all the way out to Goat Farm Road and the expansion of sewer service in and around the airport.

City Manager Warren Wood discussed the Appalachian State University Hickory Campus. That was the largest building that ASU owns, 125,000 square feet. They will be pursuing funding to upfit the facility.

Appalachian State University Chancellor Dr. Sheri Everts advised classes anticipated to start Fall of 2023.

City Manager Warren Wood noted three colleges in the City limits, CVCC, Lenoir-Rhyne University, and Appalachian State Hickory campus. He discussed the Aviation Museum Funding. CVCC has received a \$15 million dollar grant from the State that will allow for the construction of a Workforce Development Center within the museum for certain types of training. Fundraising efforts were currently underway.

City Manager Warren Wood discussed the OLLE Art Walk located on Old Lenoir Road. This was previously an industrial area. The goal was to make this an art district. He pointed out Premier which was a music venue in the vicinity of Old Lenoir Road. He discussed landscaping on I-40 in front of CommScope. He advised there was more to do once the exit ramp was complete. He discussed the tremendous success at Trivium, 270-acres. He noted there were three parcels left in there. A lot of international companies located in there. That was a partnership with Catawba County. Now they will develop 108-acres on the east side. They would like to land one large project there, a 600,000 square foot project there. Currently they are in the design phase for sewer and road construction. He referred to the PowerPoint and listed the companies that were located in the Trivium Corporate Center. Corning was the first one, they were pushing \$400 million dollars in investment and 800 new jobs. These were high paying jobs for the region. A lot of success. Corning had finished their first piece and all of the rest of them were under construction with the exception of ITM which was under design. The challenge was in the workforce. They had received grants for infrastructure. They had received \$7 million dollars so far and more to come.

City Manager Warren Wood discussed activity in other quadrants of the City. MDI had been the City's largest announcement but that had been surpassed by Corning. He shared MDI's history and advised they were doing another \$20 million dollar expansion on top of this one. That was located in Caldwell County. He noted there had been a lot of development all around town it had not been happening in one place. He referred to a map of the SE quadrant and pointed out the areas of residential, industrial, and commercial projects. He displayed a map of the SW quadrant and point out residential projects there. He displayed a map of the NW quadrant and noted there was not a lot of area to develop in the NW quadrant. They do expect more development at the airport overtime. He displayed a map of the NE quadrant and advised a lot of residential area in the NE. Council had approved the rezonings to make that work.

City Manager Warren Wood advised approximately \$100 million dollars of projects going on around town. He noted 898 new jobs at Trivium Corporate Center. Private investment with Trivium and other projects was \$566 million dollars. The Hickory Trail and Trivium Corporate Center had spurred approximately 397 new housing units. He discussed the Hickory Metro Convention Center Expansion. He advised it would be a 45,000 square foot expansion, a \$15 million dollar investment. After they complete this the Convention Center would be larger than Winston-Salem. The City owns the facility it is operated by the Tourism Development Authority and was funded by hotel/motel occupancy tax. No property tax dollars fund this.

City Manager Warren Wood discussed turf fields. The City had completed two fields and was planning for a third one. They had a lot of use of the turf fields. He discussed Bruce Meisner Park which was just opened. It was located off 127 and was a 73-acre park. He mentioned the Foothills Cam. They put a camera on the tower beside City Hall so you could get a 360-degree view. They had 322,000 views from all over the world. They keep track of where the people are looking. They are taking advantage of the views and using them as part of the marketing. He noted that none of that could have been accomplished without a unified City Council.

Deputy City Manager Rodney Miller mentioned the changes that the City had seen since 2010. All this growth had happened in the last 3-years. Prior to that the City was not growing, they were stagnant. He commended staff for picking up the slack every day.

City Manager Warren Wood talked about prior recessions. He noted the City was now seeing population growth and were doing better than the region as a whole.

Assistant City Manager Rick Beasley commented the City had to invest in themselves.

City Manager Warren Wood noted the precursor to the bond referendum was Inspiring Spaces which put the framework out.

Alderwoman Patton commended the citizens for voting the bond referendum in.

Deputy City Manager Rodney Miller commented that was the tax dollars. The citizens agreed to raise taxes. They had raised 6.26 cents to the property tax rate to pay for these things. He advised with Trivium they had a partnership with Catawba County that had paid for half of that park. What could they do in Burke, Caldwell, and Alexander? The trends were not that favorable in those three counties. He advised the City's water was in three counties. He asked what kind of policy changes that Council would like to see, does Hickory grow? Does Hickory partner? Do we do utilities? Do we annex? What kind of policy decisions do they need to be thinking about for those other three counties? They need those counties to grow. The more people grow the

more opportunities they have for the school institutions.

II. Housing Update, Regional Demographics, Trends, & Challenges

City Manager Warren Wood advised being in North Carolina was a plus because it was a growing State. We are located on I-40 and an hour from three other metro areas. Very centrally located. The City has a strong water and sewer system. He advised he would discuss some challenges. He referred to the PowerPoint and showed a chart of the 2020 Census population and housing counts for the region. He pointed out the areas which had lost population. The metro area lost population. Catawba County grew by 6,200 people. Hickory was 3,400 of that 6,200 people. That was 55 percent of the County's growth in the last 10-years. The unincorporated areas of Catawba County only grew by about 1,200 people. Hickory was a strong mover in the County and in the region for growth. Hickory and Catawba County as a whole did better than the rest of the MSA. He noted it was age related. The City of Hickory depends on the region. Those people come to work here, use the medical services, eat, shop, etc. The City depends on the region in our economy, particularly on the workforce side. The region needs to continue to grow based on the way the City's economy is.

Business Services Manager Dave Leonetti advised the daytime population goes from 45,000 to roughly 200,000 people. There were 55,000 people working in the Hickory City limits every day. There was only 40,000 people that live here and of those 40,000 there was only about 17,000 that work here.

City Manager Warren Wood commented there were about 30,000 people coming into the City to work every day from the region.

Assistant City Manager Rick Beasley commented that Lincoln County was really part of the region.

City Manager Warren Wood advised there were a lot of folks that come from Lincoln to Catawba County for work as well as Iredell County. He referred to the PowerPoint and advised the United States grew by 7 percent and North Carolina was over 9 percent and the Hickory Metro was basically flat. Caldwell, Burke, and Alexander Counties were all negative. Catawba County was 4.1 percent and City of Hickory at 8.7 percent. The City of Hickory did not really start growing until the last four years of the census. He speculated that the City was growing by about 2 percent a year. He referred to the PowerPoint and pointed out Catawba County's population change from 1970 to 2020. There had been some growth over the past couple of decades, not as much the last 10-years. He advised the adult number was 3,777, while there was a decline in the number of children of 297. That was a challenge for the school system. He referred to a slide on the PowerPoint and pointed out the housing unit change. Burke County lost 1,300 residential units during the last census. Catawba County gained 2,800. The MSA total was 547. The City was going to start seeing more mass home building in the area. He discussed regional population trends, pointing out how the City compared with other municipalities. He pointed out Goldsboro lost, New Bern lost, and Rocky Mount lost. He noted that Winston-Salem probably grew by 20 percent, but the metro not so much. He discussed the regional median age. This area was really old. In the next ten years the area would continue to be on the higher end of the median age. There had to be a coordinated effort to have everyone participate in the growth of the area. Growth was important to everyone in the region. How do they have more of an intentional effort on collaboration with the other jurisdictions? The City has a real robust water and sewer system located in four counties. How do they leverage that? Could they leverage that to help others grow, particularly on the residential side? The City markets themselves as part of Charlotte's great northwest. Tacking on to the Charlotte name gets us on the radar screen for a lot of projects. The census showed that 75 percent of all of the growth in the State, during that ten-year period, 75 percent went to either the Charlotte Region or the Raleigh Region, and everybody else was fighting for the other 25 percent. From a marketing perspective they want to be part of that region.

Alderwoman Williams referred to Asheville, they tap into the retirement community, attracting people that have the resources, we are doing that. Her neighbors are moving in from other States, these are retired people who want quality of life.

Mayor Guess commented we are getting people from other countries as well.

City Manager Warren Wood commented that Hickory probably did not skew older. Hickory does not necessarily look like the metro area. He discussed the regional median household income. The area was making some progress on the regional median household income. He referred to the PowerPoint and advised Hickory proper did not look like the region necessarily. The slide he referred to compared Hickory to Charlotte Metro. In Bachelor's Degrees we were about the same. Charlotte's rent, and median income, and home prices were higher. The median age in both were the same. Hickory looked more like Mooresville or Concord. Population over 18 was about the same.

Assistant City Manager Rick Beasley noted the affordability of Hickory compared to Charlotte.

City Manager Warren Wood discussed MSA job openings. There were 11,000 active job openings in the Hickory metro, the four County region, 7,000 open in Catawba County. He noted that would be a half a person for every job opening. He mentioned the workforce issue that the City was experiencing as well as other businesses. There were opportunities, but also challenges. They hoped that the increase in housing would improve the workforce shortage. He displayed a map and explained the 2019 MSA job flows. He noted 17,000 - 18,000 people daily come into Catawba County for work from Alexander, Caldwell, and Burke Counties. There were also people coming in from Lincoln and Iredell County. He mentioned the opening of Highway 16 would also have an impact on this. He advised that living outside the Hickory MSA but employed inside was approximately 51,000 employees and 6,700 from the region go out to work and 100,000 people who live here work here. The area was dependent on the outside people to fill the jobs.

Alderman Wood mentioned MetroNet, which would assist people that were working from home, working remotely. Having that was going to be attractive, and it would get some of those people here.

City Manager Warren Wood commented they hoped that every home and every business would have the opportunity to sign-up.

Alderman Wood advised MetroNet's customer service was excellent.

City Manager Warren Wood discussed housing. The four-county region has the oldest housing stock in any metro in the State. He pointed out the average median age of when structures were built. He advised the City had construction going on which included townhomes, single-family, and apartments. He displayed a photo of some of those projects which included Catawba Landing, Mosteller Estates, Highland Park, and Sweetwater Village. He discussed affordable housing partnerships, including Habitat for Humanity. He mentioned the development of One North Center, which really raised the bar and Center Crossing Apartments which was low-to-moderate income, through the North Carolina Finance Agency. He referred to the PowerPoint and discussed the local market for Catawba County. The months supply of inventory was .6, the average price had gone way up and the average number of days for a home on the market was just a few days. Hickory proper was similar, a half a month for supply. He advised there were 12,000 homes on the market and 62 on the market in Hickory. The housing prices in the City had also increased. Tract builders recognize that, and that was why Hickory was on their radar screen for housing. He referred to the housing project on Short Road. This project would be done in phases and would be a number of years before they all would be online. He referred to the PowerPoint and discussed the median housing prices. He pointed out how the City compared to other areas was more affordable. He discussed building permits. Single family housing in Catawba County, around 450 houses in the whole county. Multifamily was about the same. He noted the numbers for Burke, Caldwell, and Alexander Counties which were significantly lower. That was why they need to try and work together to make sure that everybody was improving their housing unit numbers. He advised that currently there was approximately 1,300 permitted residential units in Hickory, and pre-application and plan review there was another 2,000. He referred to the problems with the supply chain for materials, and the need for grading contractors.

Discussion ensued regarding some of the ongoing projects that were going on in and around the City limits. They discussed the population numbers and the housing demands in relation to the census numbers.

City Manager Warren Wood summarized the key takeaways. Population growth was flat with the 2020 census. A healthy number for Hickory would be 1 to 2 percent annually for population growth. Housing demand was high, limited supply and the costs increasing. We need more housing, especially with the labor shortage. People want to live here, but we do not have the availability of housing. They must find ways to continue the quality of life. We are in competition with everyone in the Charlotte Region, Raleigh Region, North Carolina and beyond. What was good for Morganton and Lenoir was also good for the City. They want them to be successful because we are the hub. We want them to come here and shop, work and dine. Most everyone was having the same sort of challenges; it was not unique to Hickory. He reiterated we are in a great place, Charlotte's great northwest. We are one hour from Charlotte-Douglas airport, and an hour from Blue Ridge Parkway and three other metro areas. We have been making good investments in quality-of-life enhancements for the community, investing over \$100 million dollars in improvements. We have a really strong water and sewer system. He thought they wanted to continue to encourage a variety of housing, as well as continue to work on the affordability side of that and continuing partnership opportunities with neighboring cities.

City Councilmembers discussed the labor force challenges and the educational component. Mayor Guess referred to the CVCC Workforce Solutions Center which was a huge contribution to the metro area. Alderwoman Patton mentioned airport training. Alderman Wood mentioned that Hickory would be a gateway for people using the ASU facility. They discussed how to keep and attract people to work and live here. They discussed the areas that the people are coming from to the City of Hickory. They mentioned the attendance of people to a recent soccer event at the

parks which lead to people finding out what a great place Hickory was. They discussed the need for additional restroom facilities at the park for these types of events, as well as the need for better signage. They discussed the number of people at these events, which helps the hotel/motel occupancy tax, which adds to the revenue. They discussed potential of partnerships with other entities for use of fields for these types of events that would be beneficial to everyone. They mentioned the expansion of the Hickory Metro Convention Center which would allow for four basketball courts and eight volleyball courts, as well as cheerleading. They noted there would be high ceilings which would allow for other events like boat shows. This would be attractive for youth travel sports. They noted the increase of City services with the addition of new houses. The quality-of-life enhancements that they were doing was making a big difference. They were positioned in a real good place. Industrial development was one of their challenges.

City Councilmembers took a break at 9:51 a.m., and reconvened at 10:19 a.m.

III. Workforce Development Update – Western Piedmont Workforce Development Interim Director Donna Gilbert

City Manager Warren Wood introduced Western Piedmont Workforce Development Interim Director Donna Gilbert.

Western Piedmont Workforce Development Interim Director Donna Gilbert presented a PowerPoint presentation. She discussed workforce issues. The problem was there was not enough people, and more people were leaving the workforce than coming in on a regular basis. There were a lot of facets to what was going on in the workforce. They were going to have to be able to pull people from outside and bring them in. She noted most people move to a community because they visited there. You have to have something to bring them in so they can see what there was for them and their family and then they would move here. She had been in workforce development for 20-years and had worked at the Job Link when it was at CVCC. She had been through good and bad times during those years. She explained the workforce board which was groups that look at challenges and solve those challenges across the four-county area. In 2021 they began work on a State of the Workforce Report. She explained the process which included a SWOT analysis of a group of stakeholders. They wanted to combine a workforce and economic report that would include state of the local workforce data, strategies and metric derived from the SWOTs, promote nccareers.org, and to include information from the industry growth analysis as well. She advised it was in draft form right now.

Ms. Gilbert discussed strengths which included collaboration of partnerships. There were three community colleges in the area. The work of the CTE groups and the K-12 groups was a great strength to them. They have a diverse group of employers and jobs in the area. Prior to 2008 you could not have said that as much. Right now, there was a lot of diversity and there was a lot of things to bring people to the area for the jobs that were going to be here. She referred to the Trivium Corporate Center and the jobs there. She discussed some of the weaknesses, which included a lack of a coordinated marketing. She advised that a lot of the workforce did not have the desire to continue their education, mainly because they could go to work and make a pretty good wage. Trying to work through that and see the benefits of continuing their education, whether that be certificate training, two-year degree training, or a four-year degree. A lot of workers were impacted by mental health issues and substance abuse issues, which had been worsened with the pandemic. Transportation was always an issue, no transportation, not dependable transportation, do not live where they could get to public transportation, and even the costs of transportation was a big issue with a lot of people. Barriers to serve the underserved communities and what they could do to try and bring them into the workforce and help them to navigate so they do not go back to where they were before, i.e., being involved in the justice system and those who may have had addiction issues, as well as other communities that they need to reach out to.

Ms. Gilbert discussed opportunities to improve their marketing efforts across the workforce development system and they had made a lot of efforts to do that and would continue to do so. They need to leverage their resources to attract workers to the region. She referred to enhancements going on in Hickory and the region. They need workforce and they definitely need the young people to come. They need to gain a clear picture of the inequities in the workforce, which there had been a lot of study done on that as well. They have reached out to other groups and looked at the diversity and equity. That was big on the radar right now. Take advantage of the economy and the technology. She referred to the pandemic and the need to communicate virtually. A lot of people have now come to expect those things. Some of the threats that were discussed were complacency in the workforce. They see that sometimes; people get comfortable with where they are. Aging of the workforce and not having enough people to backfill those positions. She had heard a lot of the skilled jobs for people 45 years and older, 20-years down that road was going to be a huge problem if they can not get young people interested in those jobs. Employees not having the skills to be successful. Employers say if they can give them the soft skills, they could train the technical skills. Trying to define what those soft skills and needs really are, they had made some strides in that area. Trying to figure that out for the workforce had been difficult. Costs and availability of daycare was a huge issue and was a problem even more so during the pandemic.

Ms. Gilbert referred to the PowerPoint and discussed some of the strategies the group came up with. Promote and market local careers. They had been marketing for years to the school age group to let them know what jobs were available. They had done a good job promoting that but were trying to make that bigger and draw more people into that. Also, promoting labor market details for the region to others that might be interested in coming here. They talked about developing the market plan, and a labor market snip-it for businesses. Broaden outreach and career services for underserved communities. The Ridgeview Partnership has a staff member one afternoon every week to provide career services to those individuals that may not be able to get to their career center. They wanted to have a presence there so they could work with those individuals there and try to reach them with career services. Identify bus routes that might be close to local area employers. This would be a great idea if they could create that map, a print copy, and an e-version copy. They could share that. A lot of the people they serve do not have transportation. If they know where they live, where public transportation was, and what employers are along that path, then that might make it easier for them to find employment if they have the transportation that they need. They also looked at the shared ride program which was something that was happening in the piedmont triad.

Alderwoman Patton mentioned uber as an option for transportation.

Ms. Gilbert commented those were the kind of things they could entertain for sure. The off-shift jobs were a problem as far as transportation goes. A lot of times people are very resilient and if they can get to a job they can start building relationships and find somebody they could ride back and forth with, but it was the first two weeks to a month that they really need that assistance with getting there every day. Also, the time that it takes on the City bus. Developing a career interest tool that shows potential student how to gauge skills on education. They talked about doing one that was specific to the area and attaching it to the State of the Workforce on the website so not just students, but anybody could use. She mentioned nccareers.org, which was a great website. Through their youth committee they did a virtual training for any educators that wanted to participate to learn more about it. They also did it for some student groups. It was a great one stop shop to look at jobs that were available, wages that were available for those jobs, and the education level so they could plan their career pathway through it. She advised there was a piece of it called reality check. With reality check they could go through an assessment and answer a series of questions, like what kind of car or house do you want, and at the end it would calculate how much you need to make for that lifestyle. She noted that it was eye-opening to a lot of students. Another thing that was discussed was coordinating and hosting a regional workforce summit within the next 18-months to plan and provide that and focus on career pathways and career and business services. They have several certified career pathways for their area, advanced manufacturing, human services pathway, healthcare either clinical or office type related and an energy pathway. That information was there, and they will promote that to people. Strengthen intern opportunities, working collectively there was a lot of them that do internships and working collectively with each other to figure out how to do that to the best of their ability and to cover as many people as they could. Develop an internship program guide for businesses collectively to let the businesses know what the process looked like, what the benefits were to them and the student, how that might help their business and how to engage even more young people going forward. There was a lot of information that they could include in that to help them understand what it looked like.

Ms. Gilbert discussed re-entry candidates of formerly incarcerated individuals. Prior to Covid they had an active re-entry regional group from multi counties that worked together to help those that were coming back into the community that had been released from the justice center. They would like to rejuvenate that group. They had lost the person at the State level that was heading that. They would like to update any of the resources that might be available. Working closely with some substance abuse groups that provide help and recovery for people suffering from substance abuse. They were trying to get some grants to help with that. She referred to a recovery work grant through an ARC that would come up later in the year. Ensure that their members help promote and increase awareness of the State of the Workforce and also the community. She advised they hoped to have the report available at the end of August and do some community meetings to present it and give people information that they could share with people in their circle, and they could get the information out there.

City Manager Warren Wood asked if there was a particular industry that had struggled more than others.

Ms. Gilbert commented she would have said industrial businesses, or manufacturing, but after the pandemic healthcare had become a huge problem.

Alderwoman Williams thought this was wonderful. She asked about next steps, timelines, or workplans.

Ms. Gilbert advised the next step would be to get it out there, and then also some of the strategies contained timelines to push that information forward. Some of it that they had been working on. Ridgeview was a first step in that piece, and they had been doing that since

February. It was going to be in little segments as they move forward. A lot would depend on who would end up as the Workforce Director and how the Board wants to move forward with that. She expected them to see things start rolling out pretty quickly once they get the August initial push out.

Assistant City Manager Rick Beasley asked how they market them from outside to get people into those jobs. Do they use mostly the internet?

Ms. Gilbert replied most of it would be internet. They would welcome anyone posting a link to their website from their website to try and get the information out. Social media was where people go for information.

Assistant City Manager Rick Beasley commented on the suggestion of Uber. There were only two Uber drivers in the region.

Ms. Gilbert mentioned Door Dash, Grub Hub, there were a lot more jobs out there that young people could do and set their own schedule. There were pluses and minuses to that because they were driving their own car. But it was appealing to them, and it takes them away from some of these other jobs they are trying to fill as well. There was so much that plays into what was going on right now for young people. They had discussed the population decrease and a lot of the decrease was in the 25-45 age range, the prime worker group that we need. They were trying to draw those people back in. It would be a huge asset to them.

City Manager Warren Wood commented workers now want their time and they want amenities that they enjoy. It was different today than it was.

Ms. Gilbert commented they want a flexible schedule. She thanked Council for having her.

#### IV. Future of K-12 Education with Superintendents & K-64

Moderator Dr. Betsy Rosenbalm, Director of Reich College of Education's Public-School Partnership with ASU

City Manager Warren Wood introduced Moderator Dr. Betsy Rosenbalm, Director of Reich College of Education's Public-School Partnership with ASU

Moderator Dr. Betsy Rosenbalm, Director of Reich College of Education's Public-School Partnership with ASU, she was also the Regional Director for North Carolina New Teacher Support and the Co-Director for the North Carolina Principal Fellows Program at App State. She shared some background of her teaching and principal experiences. She welcomed Dr. Taylor, Dr. Stover, and Mr. Reese. She also welcomed ASU Chancellor Dr. Everts. She had toured the new ASU facility and had a million ideas for how they could interface with the public schools in the area through that space. Her favorite quote right now was "Partnerships move at the speed of trust". The City was certainly building trust in the community amongst other communities.

Assistant Executive Manager Yaidee Fox advised Dr. Rosenbalm that some of panelist had provided a brief overview of their school systems. She knew that she had some questions to ask them as well.

Hickory Public Schools Superintendent Dr. Bryan Taylor presented a PowerPoint presentation. He shared his vision which was to improve the lives of the young people he serves and to make Hickory Public Schools the absolute best school district it could be. He shared their strengths: relatively small district, diverse population, strong support of the community, and a lot of opportunities for growth and improvement. He shared weaknesses, Covid, and there was a division among staff and portions of the community that they have to work on bringing people together and learning gaps. He discussed opportunities, diversity, they serve a very diverse student population. They are working to make sure all of their students receive opportunities. Potential partnerships. They are one of the few areas in the region that was actually growing. They are going to work on improving their student achievement. He mentioned that over the last five-years Hickory Public Schools had lost roughly 350 students. That meant loss of revenue. They receive County money and State money and, in some situations, Federal money. Those 350 students equate to a large sum of money. If they do not figure out to bring those students back into their district it would drastically impact what they do and how they do it. He advised they had survived Covid, so far. He thought it had been the most difficult year of his 29-years in public education. Young people were basically out of school for about a year and a half. They came back in August for 5-days a week. They had gone through mask. They had not had enough bus drivers at any point in time during the year. They had not had enough child nutrition workers. He advised he had been in the cafeteria serving lunch at times throughout the year. They do not have enough substitute teachers and they still have teaching jobs that had been posted and open since August.

Dr. Taylor shared some highlights. They are working to strengthen and develop partnerships with the community. They are working very closely with the NAACP in the Ridgeview community. Through their support they had established mentoring programs at Hickory High School. He



advised they had developed CAST, Community and Schools Together. At Viewmont they had an afternoon tutoring program that the NAACP was partnering with St. Luke's Church. They were also working to establish a new Teacher Cadet Program. He shared that Corning had committed their support to the Teacher Cadet Program to identify underserved populations which would target students of color, minority students. That program would allow students to apply to and be a part of the Teacher Cadet Program, they would spend two years in high school, an internship program. They were working to finalize a partnership with CVCC. They would work to strengthen their partnership with ASU to give their young people two different road maps to obtain teacher licensing. Corning had advised once this was finalized, they were going to talk to them about potentially providing financial assistance to minority students who were interested in going back into the field of education. They were also doing a facility study, some of their buildings have some age on them. They were doing a comprehensive needs assessment to identify the things they do well and the things they need to do better. They hope to have the results from that later this summer. He advised they been awarded a grant from the Burroughs Wellcome Fund. He referred to Dr. Phil Dagget who would be coming to Hickory to help them develop strategies to develop their efficiencies. He discussed the Hickory Public School system being a system of schools. They were working to make their instruction more efficient and effective. He commented that education was a vital component of economic development. He discussed the comprehensive needs assessment instruction and programs; the facility needs assessment and the strategic planning process. He discussed learning gaps in the community and suggested more Pre-K programs. He used Polk County schools as an example. Their achievement level had grown through the roof due to the Pre-K Programs. He would like to address City Council about partnering with the City. He advised they were continuing to reflect and reviewing their career and education program to make sure that it was aligned with the needs of not only their students but the community and the region. They want to do a better job in strengthening and increasing the number of internship opportunities. He referred to a program that Surry County had partnered together to form a Workforce Development Program, where students do internships, some are even paid internships. They had discussed that to some degree. What could they do to increase the number of opportunities for internships and experiences for their students in Catawba County? They would continue to strengthen their partnerships with local businesses, the colleges, ASU, and Lenoir-Rhyne. He had met with Dr. Whitt and staff and discussed what they could do to offer their students and staff more opportunities. ASU coming to Hickory would be another opportunity for them to offer civic experiences and staff development.

Alderman Zagaroli questioned how they proposed to do a Pre-K program, as far as the facility and teachers.

Dr. Taylor advised they have the space. The costs would be hiring staff to provide instruction and materials. Pre-K programs have to be licensed and they would have to go through that process. The largest costs would be staffing, materials, and programs. They could take care of the spacing issue. He advised this was very preliminary he had not mentioned this to his board yet. City Council was not required to provide funds to the school. He commented if they were interested in making an impact this was one way, they could do that. He did not know a number, or if it would be one class, two classes, or a universal Pre-K.

Alderwoman Williams commented there was previously an effort for Pre-K. She advised it was a public/private partnership where they secured grants, she thought at two elementary schools.

Dr. Taylor mentioned they have a few, but they do not have enough to serve all of the needs they currently have. He wanted to be proactive in trying to address those learning gaps before they actually got too important. Research suggested that was a very effective way to address the challenge.

Alderman Wood asked if there were any metrics about how those children that were in Pre-K were performing in the schools.

Dr. Taylor advised they were working on that information currently to try and get a comparison of going through Pre-K experience versus not going. They serve a large number of students that were considered economically disadvantaged. He discussed book deserts. He noted there were pockets in Hickory that young people did not have the resources that some other young people do. All that plays into how prepared a young person was when they came to kindergarten.

Catawba County Public Schools Superintendent Dr. Matt Stover presented a PowerPoint. He advised one of their barriers was capital improvements, because it was large dollars. He referred to the PowerPoint and showed St. Stephens High School renovations. They were making it look like a 21<sup>st</sup> century place. They had put in auto bays and welding. They were renovating the gym courts. They need another gym there. He noted that athletics was a driver for kids coming to school. He discussed the importance of literacy in children's lives. He agreed that a universal Pre-K program would be an asset. He referred to an archery program that they had started. Startown Elementary School was at a National competition in Tennessee for archery. They were starting a Jump Start program for new kindergarten students and a Jump Start program for rising 7<sup>th</sup> and 9<sup>th</sup> graders, so the children feel more comfortable when entering the facility. He advised there was an art show at the Mall. They gave them a whole room and a hallway for the display.

The arts programs are really strong in Catawba County. ROTC programs in the High Schools was another great avenue for students to learn leadership. These students do not have to go to the military, they were learning leadership skills. Overall, their district-wide strategic plan was really strong, not huge, but impactful. He advised they had 2,100 employees, 28 schools, it was not a small organization. This year they started doing feedback quarterly with student, parents, community members and their employees. They look at their strategic plan and change as needed. Strategic plans can be so boring, but if you do not have a vision on where you are going, you are not going anywhere. With Covid money they had enough money to purchase a researched based formative assessment program for their students and their teachers. They need to know where they are at and where they need to go. He advised iReady was what they were using. He was super expensive and impactful. They were actually seeing growth with their students right now. He commented they were strong on relationships. The culture of any organization needs to be where people want to be. They spend a lot of time on that. They spend a lot of time on how they can make this a great place to work. Is it a place where you want to learn and work? They do student surveys twice a year to see how they were feeling. Are they being bullied? Are they being harassed? They make goals off that and present them to the Board of Education twice a year. They were that serious about assuring their students feel comfortable in their learning environment and having something they can measure to see where they are falling short and to be able to make gains. He advised they had started online virtual learning before Covid and then it got really big during Covid. They have an online Catawba and have about 450 students in there currently. Next year they will be lowering that to 300-350 students. Online Catawba was school time school. K-8 they do it virtually, they have a hybrid model. They also have them come into the school certain days to be with their online teachers. That provides a lot of flexibility for families. They had seen great results from the student achievement with that program.

City Manager Warren Wood advised that Executive Director Chris Reese from K-64 was also present. He asked Dr. Rosenbalm to proceed with the questions.

Dr. Rosenbalm advised that Dr. Taylor had already addressed some of the questions, but he could add anything additionally. The first question was the City of Hickory has been focused on growth and development through new jobs, housing, and amenities to attract new residents. What role could they play in partnering to recruit new residents and promoting the quality education that students could receive at Hickory City and Catawba County Schools?

Dr. Taylor commented facilities play a large role in recruiting efforts. Students wants to be in schools that are state of the art. It was a different feel than a school that was built in the 1960s, 1970s or earlier. That was some of the things they need to be aware of and stay on top of. He stressed the importance of marketing. He mentioned they need to do anything they can to stay on the cutting edge in offering the best education possible for families that want to move here for jobs for businesses in general.

Dr. Stover commented they have jobs and need people so they can recruit them in. At the State level they hope to pay their educators higher wages. As long as they have affordable housing in the area when they recruit their teachers in the area. Their marketing teams were working together already. They use materials from the City of Hickory to get people to come here. Young folks love Hickory's downtown. They show off the downtowns in Conover and Newton. They let them know that there are places in Catawba County but can go to Charlotte to hangout too. The County had done a wonderful job with parks and recreation. They show off the mountains and the lake and it was just a short ride down to the beach. They work a lot on social media hitting over 28,000 people on Facebook. They put out intentional posts to get interactive conversations. They use Twitter and Instagram to recruit young folks and to keep their own parents and students informed about all the great things going on in Catawba County.

Executive Director Chris Reese K-64 advised that K-64 was meant to be a game changer. Not everyone has something like K-64. There were some similar programs in other counties. K-64 was meant to be the connector. They help on the recruiting side and have strong relationships with the Chamber and the EDC.

Dr. Rosenbalm asked the second question: They knew that there were various achievement gaps that significantly impact low-income and minority students. While recognizing that there is no quick fix, have they set any specific goals to improve these issues and if so, do they have a rough timeframe for meeting those goals?

Dr. Taylor referred to his reference to the need/desire for early childhood opportunities. Another step they take in all public-school districts was hiring principals as one of the most important decisions they make. The best principals they could possibly find. As instructional leaders they impact the lives of these young people every day. Making sure they are supporting their principals, and teachers, and when they have openings make sure they are recruiting and hiring the best administrators and teachers they could possibly find to put in front of their students. They could look at their programs online. They are exploring the opportunity to bring in a national program that they could place in their schools that would provide some additional support for families. Programs that would develop leadership skills.

Dr. Stover referred to their strategic plan and noted that one of the things they were attacking in there was hiring certified diverse employees that look like their students. That was super hard to do. When they recruit, they find there are not a lot of minority candidates coming out of a four-year school that want to go into education. They are trying to grow their own. They started their education foundation a few years ago, and a scholarship was put in place for future teachers. Their goal was to increase the number of certified diverse employees by 10 percent over the next three years. Last year they hit that mark and hope to do it again this year. They were still balancing this idea too of being intentional of hiring diverse people and the best people for the job. They have to have people that look like their students and that would help that learning gap. They also need mentors, communities to help mentor their students. Learning staff development, learning how to work with students of poverty and diverse learners. Understanding where they were coming to them at and meeting them where they were at. Continue to learn as educators on how to best meet their needs.

Mr. Reese advised that one of the first things that K-64 got involved in was developing a dual enrollment program, career college program. Those were students that were in high school but wanted to take college level courses. Most of those students were transfer students. He noted there was a group of students not going to go to a 4-year college. First generation college students need to be encouraged to come to CVCC or some other means of education. They need to be made aware of the great opportunities of going into employment in Catawba County, maybe without a degree or any kind of credentials. There were efforts being made to meet with all of those students, not just the ones that were potentially going to take transfer courses.

Dr. Rosenbalm asked the third question: Given the inextricable link between educational achievement and labor market outcomes, in what ways are they ensuring that students are prepared to help fill the gaps in our current labor market; most notably in transportation, distribution, and logistics, health science, and business management and administration?

Dr. Taylor advised that were looking at their CPE programs to make sure the offerings they have were aligned with the needs of students, the City, the region, and the area. He referred to the survey of students and they were constantly asking what they were looking for? What were they interested in? They look at registrations for the next year to determine what areas seem to have a waiting list, versus not as much interest. They have to be willing to be flexible, and willing to try new things, as well as opportunities for internships and work experiences outside of the classroom that connects young people to these jobs and experiences in education, healthcare, distribution, logistics, etc. It was about giving young people opportunities. Everyone does not have to have a four-year degree to be successful. He referred to Ms. Gilbert's presentation previously and commented the issue of supply and demand of skilled labor was going to become so large. There would be people that come to CVCC, and maybe even obtain a certificate, and could walk into a skilled profession such as plumbing, electrical, and make a very nice living. We need people to fill these jobs. They were constantly reviewing what they offer and making sure they align those things.

Dr. Stover advised that in each one of their high schools they were starting a Pre-K program so the students could also be interns in there. Employees needing childcare was one of the number one needs in the County too. They were making a lab setting as well. They were starting electrical at two different high schools, because that was a huge need for the County, to prepare them for CVCC and K-64 on that. They were also starting through CVCC and K-64 more robust early childhood transition programs at CVCC to train Pre-K teachers, and teacher assistance (TA) to teacher program there. They had been doing internships and wanted to continue to do those. Covid affected the internship program. This summer they would have about 450 students out in different businesses. They have a nursing program at one of the high schools and they have the ability to come out with a CNA. That moves them into CVCC or Lenoir-Rhyne and the wonderful nursing program there, and other educational institutions.

City Manager Warren Wood asked where they got the money for their Pre-K.

Dr. Stover advised they had State and Federal dollars that they used. They invested \$200,000 of local dollars that they got into Pre-K. They have approximately 15,300 students, they generate more revenue obviously. He knew that it was difficult on Hickory and Newton, and it was difficult enough on them. They could spend \$2 million dollars on more Pre-K programs and hit every four-year old in the area. That would be powerful.

Alderwoman Williams inquired about the percentage of his Pre-K population. Dr. Taylor was talking about universal Pre-K.

Dr. Stover used for an example 100 kindergartener's coming into an elementary school. Typically, they serve 25 of those in Pre-K.

Dr. Taylor advised that was a very common percentage. Most Pre-K programs gap at 18 slots. He advised you may on occasion have two at a large elementary school.

Mr. Reed explained that K-64 got involved early on with the needs in the working world. They needed connectors about what they needed. There was a need for an electrical program, welding, automotive program, nursing, etc. Those conversations evolved and that was how those programs started like at St. Stephens. There were some great programs there. He advised there was a huge demand for the welding program at the Hickory High School side. Those were pieces that K-64 looks at and gets involved with real life conversations and helps establish a need for the demand and they know those are areas they need to focus on.

Dr. Rosenbalm commented what he was explaining was innovation that was created based on need. She asked what innovations they could share about that might have come out of their schools or offices after experiencing the barriers and inequities of the recent pandemic. Brag on yourselves!

Dr. Taylor thanked all of the partners, whether it was K-64, CVCC, Lenoir-Rhyne, ASU, and the other two school districts in Catawba County. They all want what was best and they work very hard to provide that. He advised they also started a virtual program for 3<sup>rd</sup> through 8<sup>th</sup> grades. He noted there was about 115 students involved in that and were looking for ways to continue that. He mentioned previously flexibility. Covid had required everyone to rethink what they do. He stressed the need to be flexible, to work with families to provide flexibility for the families and strengthening and increasing partnerships. He advised Dr. Hinshaw, and his staff had been great, along with K-64, facilitating some of these conversations. He advised the three superintendents talked as a group.

Dr. Stover advised their virtual program online Catawba add been successful. He mentioned it was hard to get parents into the schools at night. They had been doing virtual parent nights. They have had a lot of success with virtual parent night. They had done book studies for parents. They found that parents want to do that. The principals were doing a great job at the elementary schools. The flexibility of these. They try to be accommodating to each family. Flexibility and customer service coming out of the pandemic.

Mr. Reese commented for the K-64s perspective the roll out of Chromebooks to students. When everything was shut down the school system was up and running and student were able to continue with their education. Catawba County was acknowledged Statewide about how the school district was still maintaining where some of the counties were sitting still because the lack of resources and assets. K-64 could not take all the credit for that it was due to the help from the County Commissioners, the school systems support, and all of the partnership's support.

Dr. Rosenbalm advised they were about to hear from Chancellor Everts, President Hinshaw, and President Whitt. How could the institutions of higher learning in this area partner with them to help them overcome any barriers that still exist with their students, schools, and communities?

Dr. Taylor advised that he wants to continue the relationships that they have established and there were open lines of communication. They had been more than receptive to him. They meet quarterly. Dr. Hinshaw has told him to let him know what they need, and they will make it work. With the support of higher education, City Council, County Commissioners, and other partners, they could not do what they do without those partnerships, continuing and growing those.

Dr. Stover commented they currently have CVCC in all of their schools so students can earn credits. They also have their LR scholarship program where they have a high school teacher at LR on campus and students get high school credit and LR gives them classes. That was another partnership. They were excited about the opportunity to partner with ASU campus on Highway 321. That could be a great place for lab experiences, for their students to come into their schools, and for their students to go to their facility and learn from them. They were doing a lot of things working together. Through K-64 too, some of the gaps they filled recently, CVCC courses gave students used textbooks and those textbooks were covered each time. Little things like that gave all students access, never a barrier.

Dr. Rosenbalm commented those collaborations really impacts their students.

Mr. Reese commented that K-64 was housed at CVCC. They were managed by Dr. Hinshaw's supervision. Dr. Whitt and his team were part of their board. If they do not have the means for something they need, Dr. Hinshaw figures it out.

Dr. Rosenbalm thanked them for sharing what they do, and what they are looking to do. They look forward to continued partnerships and collaborations.

Alderman Wood referenced the book deserts. He thought they were all living in an attention desert. He asked what they were doing to teach attention and be productive.

Dr. Taylor commented technology can be a double-edged sword. They want their teachers and students to have access to all the technology they can possibly have, but he does not want to walk into the same classroom on multiple occasions and see young people doing nothing but working on the phone. They have to balance accessing technology and accessing what

technology they bring to the classroom with sound instruction and interactive engaged learning. Young people know more about how to navigate a cellphone than most adults. That was how they were brought up. They have had to adjust their teaching strategies. They have had to adjust timing and how they do things in the classroom. They are trying to find a balance between cohesive technology and sound instruction where young people were engaged in the learning process.

Dr. Stover advised they go into the middle schools, and they turn their cellphone in, and they do not get it until the end of the day. The high school was the same thing, after class they give them back in the hallway or in the cafeteria. You have got to pay attention. This was a big distraction. They were making sure they were not lobsided on technology and intentional face to face instruction and use the Chromebook as a resource to explore more. They have to put those things up.

Dr. Taylor commented one of the things that Covid did was impress upon him the importance of face-to-face instruction. While virtual learning was great for some families, and great for some young people it does not work for everyone. The value of coming into a classroom and being actively engaged in the process was just galvanized.

Alderman Wood commented everyone want to work remotely. He mentioned that if you are working remotely then you are now competing with everyone in the USA for one job. You just opened the competition dramatically.

Dr. Taylor discussed the social and emotionally wellbeing of students and staff members. They had students in the second grade that had not had a regular normal year of school. Socialization, learning to interact with others, and learning to treat each other with respect, and things of that nature suffered. Coming back this year five days a week, they went through a process of these students learning how to be around each other and learning how to communicate. You communicate differently when you are on a phone versus face-to-face.

Mr. Reese commented that K-64s perspective on the devices was meant to make the educational arena equitable for all. It was a tool, not meant to be a crutch. There was a level where they could expand on that. They were looking at developing a curriculum at the high school that would be workforce ready type skills. That answer was a good thing to know. If they look at workforce skills, what was the top eight. They may need to drop one of those and add attention to focus on too. Everyone knows that was an issue.

V. Future of Higher Education with LRU, CVCC, & ASU

City Manager Warren Wood introduced Special Assistant to the President for Strategic Initiatives at Lenoir-Rhyne Leah Beth.

Special Assistant to the President for Strategic Initiatives at Lenoir-Rhyne Leah Beth presented a PowerPoint presentation. She commented when you think of the City of Hickory you think of Lenoir-Rhyne and when you think of Lenoir-Rhyne you think of the City of Hickory. They had done a lot of work through the last few years to strengthen that. She looked at the history of the City of Hickory and advised Lenoir-Rhyne got their name in 1889. They had been together with the City for a very long time, fighting the economic development issues and educational concerns. They may not know each other's history, but they were a staple for Hickory. She advised they were a master's comprehensive large institution M1. They were competing against a lot of really strong schools because of their ranking and because of their classification. They are a Lutheran institution, and they are proud to be ELCA because that means they believe in belonging and accepting. She noted they were 33 percent minority on their campus. She mentioned the Lenoir-Rhyne promise, which they award \$30 million dollars in financial aid to students annually. A student that has excelled in high school or community college can go to LRU for the same price as they can go to a State institution. They have ranked in the top performer in social mobility and best value in the south. She advised that 96 percent employed or continuing education six months after graduation. She commented these companies are hiring LR grads. She discussed a partnership between LRU and CVCC. She discussed educational opportunities to meet workforce demands. She discussed the Beaver Literacy Center. She noted that Frye and Catawba Valley Medical were two of their biggest partners when they look at healthcare needs. LRU nursing had been around since 1910. They have a Business Council Advisory Board which talks directly to their school of business and understands what needs in the workforce are there and how they can change their curriculum to match that. They do this every year. She mentioned the partnership with the Western Piedmont Symphony. They believe their footprint is in the community. She referred to the PowerPoint and listed a few of their community partners in Hickory: LR Partners, Friends of LR, Senior Bears, Bear's Club and 828 Day. She shared a quote from Caroline Black, "The LR Community truly cares and supports others around them. Whether its local businesses supporting the Bears or students being there for others, you can always feel the love of the community".

City Manager Warren Wood introduced Dr. Garrett Hinshaw with CVCC. He thanked him for allowing the City to host their retreat at their facility.

Catawba Valley Community College President Dr. Garrett Hinshaw commented it was wonderful to have the City in the Red Hawk Nation. He presented a PowerPoint. He commented that partnership was the theme. It was the theme of this area. He thought that they sometimes took for granted how special and how connected the partners were with business, government, and education. It was all about partnership. He noted the excitement around their campus because tomorrow was their graduation. They had approximately 1,000 of the 5,000 students participating in graduation ceremonies tomorrow. He mentioned they also had an additional 5,000 to 10,000 part-time students and those that were in business value credentials every day. Both their main and east campus, their furniture academy, and the Manufacturing Solutions Center were the largest population concentrations in Catawba County on every given day. They did not have another place where 10,000 people were convening. That created a lot of opportunities and challenges in terms of safety. They place a premium on that as they go forward. This was the future of the County, their graduates, and LRU and ASU graduates. They were all working together because their students stay here, they were the fabric and the future of the community. They make it easy for students to access different programs of study, different opportunities, and make access equitable. Taking down barriers for all populations. They have partnerships with LRU, NCSU, ASU, etc. He thought the partnership was great. They did not have a public university in this area and now they have two flagships and the greatest private institution in the country with LRU. The future was bright here. He commented they built inspiring spaces, the trades program. They can walk into the facility and learn a trade rather than some dirty shop somewhere. They talk to their business partners every day and listen to them and develop programs to help workforce development. They heard previously about K-64 and the difference it was making. The higher education collaboratives, it was not just one community college and a few universities. There were five community colleges within 30-minutes of here. They partner with all of them and bring them together and that was what was going to make a difference for our future. It was critical for this County and the City of Hickory. This was the area that determines how successful our local rural areas will become. This was the area that was growing out of all of the surrounding Counties. They had made decisions and took risks. He advised at graduation tomorrow they would host 33 employers to recruit their graduates and their families and offer them jobs. He mentioned the athletics program at CVCC and mentioned the baseball and softball teams were competing to go to the NJCAA College World Series. He added volleyball was always great and his bass fishing team was number one in the State of North Carolina, and they were competing with every university across the country. They were 16<sup>th</sup> currently ranked against all universities and colleges in the country. He mentioned they have students from 70 out of 100 counties in the State of North Carolina. They were instilling an entrepreneurial mindset. They know how to make stuff, that was how they were built. They have to keep building that mindset into the young people. They need to understand they do not just have to be a welder; they could own their own welding company. They do not have to just be a nurse; they can be a Chief Officer (CO) of the hospital. They have got to keep that mindset going because that helps everybody. He commented the City was always welcome there and they love them in Red Hawk Nation. They look forward to being partners going forward.

City Manager Warren Wood commented that he loved their new red hawk outside. He introduced Chancellor Sheri Everts with Appalachian State University.

Appalachian State University Chancellor Dr. Sheri Everts presented a PowerPoint presentation. She thanked Council for the opportunity. She advised that Appalachian State University (ASU) was the premier public undergraduate institution in the State of North Carolina. She commented the student success was really key for them. ASU was founded for access to higher education and that was what their campus in Hickory was all about. Their students also stay here, and they know how important that was. Of the 142,000 App State Alumni more than 72 percent live and work in North Carolina contributing to the State's growing economy. She referred to the PowerPoint and shared accolades for ASU. She mentioned that App had 20,641 students enrolled, they graduated 4,000 students last week and were recruiting again. They were still growing at about 1.5 to 2 percent per year. It was slow and steady. She mentioned they were number one in most innovative school for the second year in a row and the same for best undergraduate teaching. She advised they had seen an increase in underrepresented student population of 66 percent since 2014. She mentioned that App was named the nation's leader for certified teachers for the 6<sup>th</sup> consecutive year. They were number one in the nation for their Sunergy. She advised that APP undergraduate business was the largest program in the State and that included Chapel Hill and NC State. App was the biggest. She mentioned that App State MBA ranks among the world's top tier program for 2022. She shared the GPA of 3.0 and they typically win the Sunbelt graduation record. She mentioned they had recently broken ground on the first phase of their innovation district. She thanked the General Assembly for the best budget that APP had ever seen. Starting in the fall will be the online veterinary technology program. That has some possibilities for collaboration as well, and some internships that will be available locally as well. She shared a photo of the Leon Levine Hall, which was now the Beaver College of Health Sciences. They gave Don Beaver an honorary doctorate last week. They were hearing about the needs for health sciences. She discussed the need to close the educational attainment gap in North Carolina. The goal that by 2030 two million North Carolinians have a high-quality credential or a postsecondary degree. She referred to the PowerPoint and displayed a list of partners. She showed photos of the new Hickory ASU Facility. She showed a photo of the roof

top view from the new facility. She thanked the City and mentioned how welcoming everyone had been. She noted that some folks present had agreed to serve on the advisory committee and the meeting would be sometime this summer. She showed a photo with the “A” on top of the building. She had been assured that the “A” that lights up at night will be installed by tomorrow. She advised they would continue to partner. She thanked everyone.

City Manager Warren Wood mentioned the teacher shortage. He asked what trends they were seeing within their institution related to the production of teachers for K-12.

Dr. Everts advised that ASU had the largest teacher preparation program in the State of North Carolina, and they also have teachers in every one of the 100 counties. They knew that was a major area of concern. She referred to how difficult the last two years had been for teachers. They need to address the issue of the shortage but also at the same time bolster and indicate to the community how important teachers were. She mentioned the lack of respect that teachers receive.

Dr. Hinshaw advised it was critical and they try to start the conversations in middle school with the parents and students. It had to be intentional. You could not assume that they are going to choose teaching. They were working with counselors and college advisors to identify these young people early and give them some experiences and let them see what it feels like early and then begin to work toward credentialing while they were still enrolled in high school and those would transfer to one of the institutions as they move forward.

Ms. Leah Beth referred to Covid and commented they lost a lot of hope. She referred to the treatment of the teachers and they do not get the pay they deserve. Teachers can not even buy a house with the pay they were receiving. They have to work a second job. She referred to the teaching fellows’ program at LRU to address that. She thought the City, State and Feds had to get involved in facing the teaching issues and also the mental health crisis.

Mayor Guess thanked each of them. He commented that the City of Hickory and the metropolitan area was so fortunate to have all three of these partners and their leadership, the experiences, and the opportunities that were available. The fact they were all present as part of their retreat and they were engaged and active in the community and willing participants, kudos to each of them for what they and their staff does. They appreciated it so much. They were a huge part of what was going on in the community.

Ms. Leah Beth commented the LR Athletic Program was going into the Ridgeview community for mentoring programs.

City Councilmembers took a lunch break at 12:23 p.m.

VI. Economic Development and Jobs – EDC President Scott Millar

City Councilmembers reconvened at 1:01 p.m.

City Manager Warren Wood asked Catawba County Economic Development President Scott Millar to present Council with information on economic development and jobs in Catawba County and where we are.

Catawba County Economic Development President Scott Millar presented a PowerPoint presentation. He thanked City Council and Staff for their efforts in amenities like the City Walk and the things that make economic development a whole lot easier in Catawba County. He shared the Catawba County Economic Development Corporation (EDC) mission, “to build a diversified economic base throughout Catawba County by recruiting new business and industry, by retaining existing business and industry and helping them grow and to foster creations of jobs”. One of the things they were trying to balance was the whole existing industry folks, including, furniture, textile, fiber optics and others, they were struggling to find workforce for these entities. They need to make sure the workforce was available for new opportunities too. He mentioned diversification, that did not just mean today’s diversification it meant long term diversification. What they had accomplished in Trivium Corporate Center were opportunities that were going to be good, diversified opportunities for workers in that plant for years to come. They were trying to envision what those things were going to be in the future and how ASU, CVCC, and LRU and others could provide the people that were going to be needed for these opportunities that were going to be created. There were challenges in that. Were the workers willing and able to change their skill sets in order to take the next jobs that were created in furniture, textile, fiber optics, and diversified industries that were here? How to that get them there? He referred to the Workforce Solutions building and advised it was an example of how they could start doing that. They have to focus on that. He mentioned that the City of Hickory goes out beyond the district of Catawba County, and they love helping the City outside the boundaries of Catawba County when their jurisdiction goes out there too. He mentioned they helped with MDI last year.

Mr. Millar referred to the PowerPoint and pointed out the world issues right now and everyone was familiar with those. Those issues had created a new dynamic that they were dealing with as

they talk to potential people in trying to do business. There had never been a time to do business as difficult as it was right now. He discussed more about the opportunities. North Carolina was on a roll. He mentioned he had gone to Atlanta and from Raleigh to Atlanta it was one development zone now. He noted southbound on I-85 there was a 10-mile traffic backup. He mentioned I-85 between Highway 321 and the Catawba River, on the north side of I-85 in Gaston County, building after building after building. Within the last 24-months four million square feet of industrial space was built on the northside of Interstate 85. All but 4,000 square feet, 90 percent of those four million feet had already been accounted for and it was not even finished yet. The exact same thing was happening in Rowan County. In Davidson County there was a different developer that was building nine million square feet of industrial space. Every interstate exchange between downtown Charlotte and Davidson had a major development on it. A lot of that was going to be distribution-oriented development, but a lot of it was not. He mentioned electric vehicles. Toyota had announced in North Carolina a Vietnamese company called VinFast. VinFast was going to be a major player and would have impacts on economic development and other opportunities. He noted there were rumors of another major announcement coming out of one of the mega sites in North Carolina, 1,000 plus acres, probably 5,000 to 8,000 jobs. VinFast was 2,500 acres and 8,000 jobs. He mentioned Boost Aero and other aviation related activities were happening in North Carolina. They had some opportunities at Hickory's airport that they had submitted. Some of these things have a very long fuse, they will submit something and 24-months later they might hear back from some of these guys. They were constantly dropping those worms in the water hoping that something was going to happen at some point. There were more opportunities for aviation training here. Nucor Steel just announced in Davidson County, a \$350 million dollar project. The average salaries at that facility were \$100,000 per year. He noted the impact that was going to have on the economy in Davidson County. He mentioned Sherwin Williams a substantial project close to Statesville, he thought was \$135 million dollars, and Eli Lilly just announced in Cabarrus County. You would think with the world issues that opportunities would not be happening, but they were.

Mr. Millar discussed unparalleled housing opportunities here. They certainly need them. A few years ago, they discussed the need for the 20–44-year age cohort. What the City had done with quality of life, and the business park development, and the housing development they were going to be able to have that growth that would allow them to continue to market effectively to the people that they were talking about, and the opportunities were coming from. He mentioned the rest of the Hickory MSA was not growing as quickly, 55 percent of the growth in Catawba County was specific to the City of Hickory. They needed the entire region to grow as well. He mentioned road funding issues. He advised the City had the biggest projects in the City of Hickory's history announced last year, MDI and Corning, both were expansions.

Mr. Millar referred to the PowerPoint and displayed a photo of a pasture, which the City of Hickory had invested in. In 2004, the City made the decision to do the Henry River Basin Sewer Project, which was a \$10 million dollar expenditure. The City did this project by themselves, Catawba County was not their 50/50 partner. He advised in 2014 they negotiated with all of the landowners in this area to develop Trivium Corporate Center, formerly known as Park 1764.

City Manager Warren Wood mentioned they had thought that Highway 321 widening was going to be their road corridor and Newton cut them off. They looked at other locations and this became one they felt like would come with good growth.

Mr. Millar commented it was still a leap of faith. They entered an agreement to purchase the property in 2014. They did not start purchasing and developing it until 2018. He advised four-months later Corning announced their project, the first of those projects that had happened in Trivium. In between 2018-2021, they had announced \$400 million dollars in investment and 772 jobs, all which were paying at or above the Catawba County average wage at the time they were announced.

Mr. Millar referred to the PowerPoint and asked if anyone knew Anderson County, South Carolina. He displayed a photo of Ryobi. He advised a huge Asian Company had developed an innovation center right off of I-85, highly visible. They manufacture Milwaukee tools, Hoover, Oreck vacuums, and Dirt Devil vacuums. For them to establish an innovation facility there, why?

Alderman Wood commented cheaper property, between two growth areas. They were probably looking at what that area was going to look like 10-15 years from now.

Mr. Millar advised the Clemson piece had to be a key player. Certainly, the I-85 corridor, outside of Atlanta, near Clemson, near the ICAR facility that Clemson had developed which was an automotive engineering type facility near there. It was really surprising to see that facility there.

Mr. Millar referred to the Workforce Solutions Center and advised it was the best sales tactic that he had yet. He noted if they have a client coming to town, chances are they were going to do the introduction meeting at the Workforce Solutions Center. They would be surprised at the sales ability that walking those folks through the facility would say. When they come to Catawba County, the first reason they come was they have a site or building that would work for their needs. If they do not have a site or building that would work for their needs they were not going



to come, no matter how cool Catawba County or Hickory was. If they check that first box, they get them into the room then they were going to talk to them about where the people were that were going to fill that building going to come from. They would see they were going to teach those people solid works, or they would have the capacity to use that equipment with their employees. That was the thing that happens when people walk into the facility. After that they start looking at the breweries, the City Walk, and the other amenities, and the schools. They were not a consideration until the first two boxes were checked. He mentioned there was the Manufacturing Solutions Center that was located in Conover. He advised that was going to be one of the highest tech centers in Catawba County. That was going to be a cool place for them to sell as well. He also mentioned LRU, the Health Sciences Facility, CVCC Partnership, ASU-Hickory, the \$15 million dollars that the State Legislature put into the budget last year to create a regional community college facility that was going to be located in Catawba County. They had numerous discussions on where that needs to be, and it was dialing in right now. He mentioned the School of Science and Math in Morganton. If they could facilitate the students at the high school levels working and understanding better about what this area has through that facility, then they get them used to ASU and LRU and hopefully they would stay. The other opportunity was there was going to be close to 100 different faculty members when they open up this fall, they were going to have to live somewhere. Wouldn't they like to have those faculty members living in some of the new housing that they were developing in Hickory. Do not forget about the impacts that were going to be created. He referred to the amenities as an asset as well. He advised that if he was going to invest in this area there were two places he would invest, one was the Old Lenoir corridor, because he sees that as being an art district and having some good opportunities.

Mr. Millar referred to the PowerPoint slide and advised in spite of the opportunities that they were creating they were missing a whole lot of opportunities. He displayed just a sampling of the economic development project activities that they had turned away over the last couple of months. This was not all of them. Developers want to see this information. He noted this was solid evidence if they built spec buildings they would come. He noted a lot of this opportunities were for electric vehicles, battery makers, copper products, motors, and wiring. They were getting opportunities that were driven by VinFast, Toyota, and others that feel like they need to be in North Carolina, but we do not want to compete with those 8,000 people that were going to be at VinFast, so they need to be two-hours away from where they were going to be situated. That was the opportunities that were being created in this economic ecosystem that he was discussing.

Assistant City Manager Rick Beasley referred to the success of the two spec buildings the City had in the last year.

Mr. Millar used as example the success of the development of the buildings along the I-85 corridor. He commented America was a safe harbor. Part of what was driving these opportunities was because everybody knew that their investments here would be safe, needed, and supply chain issues were not having to be dealt with in the same level. They still had to worry about getting compost roofs, and steel. They did not have to worry about what was going on in the country next to us and the turmoil that may be happening there. He referred to the development in the class "A" business park at Trivium. They knew the value of having existing ready sites, pre-engineered, some of them graded. When they bring them to town, they can say yes that first box was checked, the second one they would deal with, they would fight for the labor. They now have the opportunities at Trivium East, opportunities in foods, aviation, advanced manufacturing, electric vehicle production, and other opportunities as well. They need the buildings. He advised in all of Catawba County the number of buildings they have right now for new types of manufacturing was none. He mentioned they had a couple of dogs. A year from now, a building that was in this market was going to be worth its weight in gold. The recover for manufacturing was going to continue and they need more facilities. He asked where the City's future was and where was the expansion areas of Hickory in order for them to have the next corporate center? He noted they were going to market the airport. They had to think long term as to where that next opportunity would be. Hickory was the regional leader in utilities. That showed the partnerships the City had done, and the agreements they have in place with other municipalities. The City's systems and structures were unparallel and they have the opportunity to take advantage of those strengths, not only for recruitment but possibly developing new areas where they could go.

Mr. Millar discussed the innovation district. As he saw the Ryobi building yesterday it drove home the fact that the City has a convergence of educational opportunities here in the last couple of years that was pretty amazing. They have ASU coming in and they have the \$15 million-dollar regional center that had to go someplace. How could they put all of these pieces together to develop something that would benefit everybody from a tax-based perspective in the jobs and the workforce perspective. That had to be the next list of challenges and opportunities.

Mr. Millar referred to the PowerPoint slide and displayed a clock hand on a map. He advised Hickory was Charlotte's greater northwest and was an opportunity that would continue to drive regional opportunities. We have a lot of opportunities that a lot of other people do not have, and we need to take advantage of it now.

Assistant City Manager Rick Beasley commented the region was really bigger than the four counties that they consider the region to be. From a marketing perspective they market as part of Charlotte which has helped them. He commented Alexander, Caldwell, and Burke needed to market themselves as part of Hickory.

Mr. Millar commented that if he was in Alexander County, he would build a business park right across the river from Catawba County. He would also build a business park right across the county line in Iredell County. He thought that geography drives a lot of opportunities and they had to look at what made good sense from a marketing perspective and take advantage of it. He agreed they should take advantage of the name just as they should take advantage of the opportunities that Charlotte was developing for them. He asked for questions.

Alderwoman Patton referred to the population growth in Hickory and this area, but it was flat in some of the surrounding communities. She asked what he would do to help them facilitate that. They could not go in and do that for anyone, but if they wanted to grow with Hickory, they had to take some steps too.

Mr. Millar commented it was a fine line, but Hickory had done things that they need to do. He referred to the agreement with One North Center. He referred to another entity that was considering a similar type of development and they were willing to share the process with them that they used to do that. Hickory was looked up to and envied. The City needed to continue to be a regional partner, taking advantage of every opportunity to say that they were their partner, and they need them to grow. He knew that City Manager Warren Wood had said the City's success depends on them continuing to be economically viable. Keep being a leader, keep being willing to share and show and help out. There are other opportunities for partnerships with others. He mentioned the new leaders in Catawba County, Mary Furtado becoming the new County Manager on July 1, and former County Manager Mick Berry coming to work for the EDC sometime in July or August. There were new City Managers in both Newton and Conover, and both of them were bright and young and seemed to be very cooperative. He thought they may be willing to partnership with opportunities. He noted they would have at least one new County Commissioner.

Alderwoman Williams commented the towns that Mr. Millar mentioned were somewhat similar. She asked was some of it demographics.

Mr. Millar advised one thing that happens on a lot of their request for proposals, the initial request comes in and says they have to have 40-acres, and a 100 million gallons of water a day, all these requirements. Another requirement must be within an hour of the Charlotte airport. Parts of Burke County were within an hour, parts of Caldwell were, but not the business parts. That was the primary driver that those things tend to start, how far are you from the airport? Those were big questions and issues that were behind the scenes of reasons why they had not had as many opportunities as they had.

Alderwoman Patton commented as they grow the airport, it would be great to have commercial, then they could be a part of that hour away.

Alderman Wood referred to the work that the DOT was doing, and they were going to bring Burke and Caldwell into that hour range with 321 and things like that.

City Manager Warren Wood commented they do not want to be the I-85 corridor. He noted that they were not going to be nine million square feet or four million square feet either. If they have the opportunity to do some strategic types of development. Some industrial buildings, not in the mass they are, but a higher quality in advanced manufacturing, pursuing the innovation district concept. They do not want all their eggs in one basket. Anderson, South Carolina was a lot like Hickory. They could pursue a multitude of things partly out of necessity. They had ASU, and there was a tremendous amount of opportunity for what they could do at the airport and some areas located off 321 South.

Mr. Millar advised the most iconic building from the South Carolina line to the Virginia North Carolina line was the building that ASU just took over, and it happens to be in Hickory's jurisdiction. There was no building in that area that looked anywhere near as good as that building does. The bridge being in Hickory's territory was an asset.

City Manager Warren Wood commented they had success with the spec buildings, and he thought they needed to have one or a couple of them going at all times, 100,000 expandable up to 400,000.

Discussion ensued regarding construction of spec buildings. They needed to have them under construction and another one in the pipeline, so they have a constant flow of them. The innovation district would be something they would want to pursue and see where it might be best located and situated. They need to be selective on where and what size they want. They need to be careful with other jurisdictions. They want the whole region to grow. They discussed supplying

these other entities with water and sewer services, but the other county entities would have to supply the infrastructure to do so. They discussed the partnership with Burke County and the airport. Those types of relationships were beneficial. Burke County understood how the City was playing off of Charlotte. Burke County was also desperate for housing and also had workforce issues. In marketing themselves they need to soften the edges, the hard lines, and not be just Hickory, be more of Catawba Valley. Be more regional.

Alderwoman Williams asked Mr. Millar if he had counterparts in other counties.

Mr. Millar responded yes. He talks with Burke County on a regular basis. He was concerned about having the Corning building vacant because they typically are not a headquarters. They have not fared that well in the battle for headquarters for large headquarter types of opportunities. He noted they had to prove they have the ability to teach the people and keep them from trading up within those institutions. It would depend on what they do as to what this community needs and can get.

Alderman Zagaroli mentioned the housing component was critical.

Alderwoman Patton commented they could redevelop places that make sense, and it would improve areas.

Mr. Millar agreed they absolutely had to have that to get the workers they need. He referred to his recipe analogy and mentioned that one ingredient was not any more important than the others. Maybe the education piece was more important particularly since they have a place to go. None of those ingredients were anymore important because if they leave any one of them out, they were not going to have a satisfying result. What the City was doing in sidewalks was just as important as what they were doing in economic development.

City Manager Warren Wood commented the quality of life was something they found out about. That was fundamental, giving people a reason to want to be here.

City Councilmembers took a break at 1:52 p.m.

VII. Transportation - Transportation Planning Manager John Marshall

City Councilmembers reconvened at 2:10 p.m.

Transportation Planning Manager John Marshall presented a PowerPoint presentation. He updated Council on the development of the new State Transportation Improvement Program (STIP). He advised the one they were currently using was developed in 2019. He referred to the PowerPoint and pointed out it went from 2020-2029, it was a ten-year document. This one would be adopted in 2023 and would run through the timeframe 2024-2033. Mr. Marshall discussed the projects in the area that would affect the City the most. Highway 127 going into Alexander County, right of way 2024, and construction 2026. Timeframe did not change on this one. He pointed out Bruce Meisner Park and the cyclist use Highway 127. The new bridge for Highway 127 would have multiuse path on it.

City Manager Warren Wood mentioned it was Cloninger Mill to Teague Town Road.

Mr. Marshall advised it went from the Honey-Pik to the Bojangles. He referred to the PowerPoint and displayed a map of the projects in the City's area. He pointed out the section "remain delivery" which meant they stayed on schedule and in the STIP. The first one was I-40 exit 125 and Lenoir-Rhyne Boulevard, a clover ramp on the northeast side that was going in. It was below Kickback Jacks; it would be westbound. He explained that it would free up Lenoir-Rhyne Boulevard quite a bit. Construction time was 2025. He pointed out US 321 north of US 70 almost to 321A in Granite Falls, construction late summer 2025. He pointed out the turn lanes almost downtown, Highway 127, between 1<sup>st</sup> Avenue and 2<sup>nd</sup> Avenue. Most of the right of way had already been obtained for that and construction was scheduled for 2023.

City Manager Warren Wood noted that was the old All Glass facility.

Mr. Marshall discussed Highway 127 in the Mountain View area, from Huffman Farm Road down to Zion Church Road. That was in the draft STIP, if some part of the project was scheduled within five-years of the adoption of the STIP then it was supposed to be safe. This one had right of way in 2028. The clock would start in 2024, so that would be in the first five years so that should be safe, with construction 2031. He pointed out 29<sup>th</sup> Avenue Drive which goes from Springs Road over to Highway 127, the timeframe was right of way 2028 and construction 2031, it made the five-year window as well in the STIP. He pointed out 33<sup>rd</sup> St and 34<sup>th</sup> Street in Longview located near Penelope Baptist Church near the railroad.

City Manager Warren Wood asked Mr. Marshall to explain the difference in the remain delivery and advanced to delivery.

Mr. Marshall advised that the last time they had done the presentation the advanced delivery ones were out. They rescoped them and those three made it back in.

City Manager Warren Wood confirmed that based on what they say the rules are they were within the five-year window they were in. He asked if he had any reason to believe otherwise.

Mr. Marshall did not.

City Manager Warren Wood referred to a meeting with Andy Wells and Brad Lail, the City's NCDOT Board Members, they were concerned about what the gas prices might do with revenue that the DOT produces off of that. It was not a percentage it was a flat fee.

Mr. Marshall pointed out that Startown Road affected the City and NC 150 indirectly. Those two were still in the current STIP for design purposes only. They do not know what was going to happen with these two projects with the funding level right now, they were currently being reevaluated.

Mayor Guess asked if there were some trade scenarios that go along with that.

Mr. Marshall replied there could be.

City Manager Warren Wood commented NC 150 was the County's number one priority right now. The Iredell portion of that was funded and the bridge was funded. That was a challenge for the County.

Mr. Marshall advised they were trying to find out a way to fund that one, it was being reevaluated currently. He pointed out two that were unfunded, I-40 from US 321 to Fairgrove Church Road. He hoped they would be able to bring that one back. That one was a statewide funded project for an additional travel lane. There were three tiers, statewide, regional, and division. Most of the City's were in regional or division. He pointed out another unfunded one was Springs Road NE, which was access management, adding a median. Taking the center turn lane and putting a grass median for access management to make it safer, but it fell off.

Alderman Wood asked about the unfunded NC 127, 8<sup>th</sup> Avenue to 30<sup>th</sup> Avenue.

Mr. Marshall advised it was also access management, a section of Highway 127, putting a median in as well.

Alderman Wood commented they needed it from 5<sup>th</sup> to 8<sup>th</sup>, that was the only residential part in Viewmont. He referred to the traffic at LRU and the YMCA.

Mr. Marshall advised the City fared better on some of their projects than other areas. He discussed swaps and noted they were in discussions with DOT, the MPO, and different entities. They need to be in the same funding region to do a swap.

Mayor Guess referred to swapping 29<sup>th</sup> Avenue for Startown.

Mr. Marshall commented they were going to get both of them. He noted the number one right now, if 29<sup>th</sup> was making the cut, they were going to try and figure out how to get funding and accelerate Startown Road.

City Manager Warren Wood asked the costs of the 321 project.

Mr. Marshall advised the whole thing exceeded \$300 million; he thought the City's section was \$270 million.

City Manager Warren Wood noted that Gaston County was in the City's division. They were widening I-85 and adding another lane east and west, north, and south, and the Shelby by-pass was one, the City's was one, and there was one more in the same division.

Mr. Marshall noted that all those projects were massive in the City's division. A big part of 321 was in Division 11. He discussed the STIP timeline. The draft would go out sometime around December for public comment and the MPO would do its review. The final STIP, the Board of Transportation should adopt next summer, around June, a little over a year from now. After the Board adopts that it had to have a final approval by FHWA. It would not be official probably until September of 2023.

Alderman Wood questioned the infrastructure money from the Federal government. He asked it was already factored into all of this.

Mr. Marshall advised they had their formulas yes, and it was included.

Alderman Wood asked if more could be added after they figure that out.

Mr. Marshall responded yes; it could bring some projects back up.

City Manager Warren Wood commented there was a number that North Carolina was receiving. He thought it was \$2 billion across the State.

Mr. Marshall asked if there were any questions about the timeline of the STIP.

City Manager Warren Wood asked Public Works Director Steve Miller if he knew what DOT had planned as far as resurfacing around Hickory.

Public Works Director Steve Miller commented 2<sup>nd</sup> Avenue the one-way pairs on the northwest side. They were holding off on 3<sup>rd</sup> Avenue so it would align with OLLE Art Walk once it was complete. They were getting ready to resurface Springs Road.

City Manager Warren Wood commented the one-way pairs 2<sup>nd</sup> and 3<sup>rd</sup> Avenue NW.

Public Works Director Steve Miller reiterated that 3<sup>rd</sup> would be a while longer. They were marking it and raising manholes currently.

Mr. Marshall discussed direct attributable (DA) money from the MPO. They get so much money each year which they apply for. They can put those funds on different transportation projects. They received three of those a couple of years ago. The first one was intersection improvements at US 70 and 4<sup>th</sup> Street Drive at the Walmart Grocery Store. That was the bottom end of the Historic Ridgeview Walk. They had the walk going to 70 but they did not have the crossing. That used to be a NCDOT spot safety project, but it fell through the cracks, and they found another way to fund it with the DA money. They added that to finish off the Historic Ridgeview Walk. When they put the Historic Ridgeview Walk out to bid this summer that would be bid along with it. They would have three Federal projects, HL002 which would be intersection improvements, EB5937 which was referred to as Book Walk, and EB5938 which was Book Walk South. All three of those projects together make up the Historic Ridgeview Walk.

City Manager Warren Wood inquired about the crosswalk on 70. He asked if it straightened out the intersection.

Mr. Marshall advised it helps. It would do some reconfiguration and it would change it slightly. It improved it all the way around.

Deputy City Manager Rodney Miller informed Council that in anticipation of that, Staff had got with Duke Energy to change the lights to LED lights.

Mr. Marshall advised that sidewalks were being installed on the other side.

Public Works Director Steve Miller explained the progress that had been made, and the construction that would continue to connect the three walks.

Mr. Marshall discussed the 2<sup>nd</sup> Avenue SE connector, by the EMS base and crosses over LR Boulevard and connects back with 3<sup>rd</sup> Street SE. It would create a connector all the way to Tate Boulevard.

City Manager Warren Wood advised they would take the traffic signal out at the Fast-N-Fresh.

Mr. Marshall noted the status on that project, the design firm was picked, and they were waiting on DOT to approve the scope of the mandated hours on that contract.

City Manager Warren Wood referred to a map and pointed out 17<sup>th</sup> Street in front of ASU.

Mr. Marshall explained the connection that ASU would have from 17<sup>th</sup> Street to Clement Boulevard. It created a north/south connector from Clement Boulevard all the way down to US 70. It would be big especially during the construction of Highway 321. The timeframe on that, design would take approximately 9-months to a year and right of way would take 6-8 months and construction would probably take a year.

City Manager Warren Wood advised it would tie ASU into the Aviation Walk.

Mr. Marshall referred to the map and noted the section where a multiuse trail would be. He pointed out Aviation Walk and noted the gap that they would have to connect. The students would have a connection to cross Highway 321 safely, walking or biking.

Alderman Wood questioned if they would need traffic calming directly behind the ASU building.

Mr. Marshall commented they would have to put some traffic calming there. The trail would be on the west side. He noted the location where they would cross over to get to the trail. He pointed

out the location of a pedestrian crossing.

City Manager Warren Wood mentioned the roundabout projects.

Mr. Marshall referred to the map and pointed out the location of the roundabout and noted there would be sidewalk and bike lanes proposed here. He advised the roundabout at 29<sup>th</sup> and Sandy Ridge was a separate DOT project they were going to widen 29<sup>th</sup> and they do not know exactly what design they were putting at that intersection so that roundabout was removed. A year ago, DOT informed them they were going to have to do a redesign on this project. They had to do a STIP modification to move money out of construction into design, which they have now, and they were waiting on the supplemental agreement on that so they can get a contract on board. He noted they had got \$1.5 million dollars added to this project, it was unused CMAC money that they applied for Catawba County. They got the money back for construction and they got some extra for the astronomical costs of right of way right now. They hoped to have the supplemental agreement for Council's approval in the next few meetings.

Deputy City Manager Rodney Miller advised they had already set aside \$500,000, 5-year-old money, not new money, for this project.

Alderman Wood inquired about the new housing project and asked if the road was sufficient to carry the traffic volume.

City Manager Warren Wood commented the Hampton Heights project, one concern he had heard was having a deceleration lane turning into the main entrance of the development. He did not know if it was part of the project or not.

Mr. Marshall advised normally DOT makes you put a turn lane if you are over 4,000 vehicles per day.

Public Works Director Steve Miller advised they have to do a traffic impact analysis (TIA) on the location. Right now, it does not warrant one. He advised the old Hampton Heights entrance would line up with the intersection. Most of the folks would leave the subdivision at the traffic signal.

Planning Director Brian Frazier mentioned the location to the entrance of the new subdivision.

City Manager Warren Wood explained the process of the TIA process.

Alderman Wood pointed out a parcel on the map and inquired if it was a City-owned parcel.

City Manager Warren Wood confirmed the City owned it.

Public Works Director Steve Miller discussed the connections and pointed out a water feature along the property line. Discussion ensued regarding the connection with Stanford Park.

Deputy City Manager Rodney Miller referred to the PowerPoint and pointed out the airport hangar, the FBO building, the hangar that was demolished in the tornado. He advised it was a 32,000 square foot hangar that they had put back into service approximately two-years ago. Last year they started construction on a 12,000 square foot hangar which was almost complete. He pointed out the location of the hangar. He was told by Airport Director Terry Clark they should have planes in there by June 15<sup>th</sup>. They have planes waiting. He mentioned the Burke County Partnership and advised there was \$55,000 in the budget for revenue. They would write a check to the City next month. They were still waiting on a plan approval from the ALP, Airport Master Plan, the FAA had to do a review and were very close to getting that approved. The plan at that point was to work on extending the runway. He pointed out on the map the location where they would extend the runway 200 feet and 400 feet. He noted an area where they do not have 1,000 feet of a runway safety area. They can not develop that property any further, so they were going to put an emas system in, which was like a runway airport ramp. He advised they would plan on two emas systems on both sides, which was FAA eligible, and they would participate in 90 percent funding. He noted the area where they would start and advised they were targeting next year to start that project as soon as the Airport Master Plan was approved, they would immediately start talking about funding for this side of the runway. He advised they were proposing adding T-hangars. Over the last couple of years, they had 50 plus aircraft owners wanting to come to the airport. Terry Clark had done a great job talking to other airports. He explained what a T-hangar was. He advised they could fit 12 airplanes in 12 T-hangars. It would be individual hangars. He noted the Master Plan called for those to start in a location that he pointed out on the map, somewhere on Runway 119. Council had talked about it, and they had talked about it with Burke County, about closing Runway 119, when they start the construction of the T-hangars that would trigger the closure of that runway. He noted the area where they would want to stop the construction of T-hangars as the property would be used for industrial development which they might have potential for. He mentioned they may want additional 12,000 square foot hangars that they could get some of the larger planes in. The Master Plan identified all of that, but sometime in the next 6-months they would start with closure of the runway and

building those hangars. He mentioned that one thing that was preventing them for getting commercial services was due to the vintage aircraft. He noted the location of the Hickory Aviation Museum in the terminal building. They want to get them out of that and have a location for those aircrafts. Hickory Aviation Museum had started a silent fund-raising effort to relocate those planes elsewhere. In their own hangar, as of right now, they were experiencing some wear and tear out in the elements. They were increasing the amenities for a museum; it may be a kiosk or virtual reality showing what those plans did. There was a whole list of things they could do with that. That fundraising was happening. Mr. Millar had mentioned the \$15 million dollar grant that CVCC had and they had some preliminary discussions about if that would be a good site for a Workforce Training Facility.

Alderman Zagaroli asked where that would possibly go.

Deputy City Manager Rodney Miller pointed out multiple places that could go.

Alderman Wood asked if closing the runway affected Federal funding.

Deputy City Manager Rodney Miller advised it did not.

City Manager Warren Wood commented said it helped.

Deputy City Manager Rodney Miller commented in a good way it does.

City Manager Warren Wood referred to resurfacing the runway. If it turns into a taxiway, it was 90/10 split.

Deputy City Manager Rodney Miller advised after that turns into a taxiway, they would submit that project to get that paved. The money for hangars from the Burke County partnership would certainly help. They had talked about spec buildings. They thought that made perfect sense out there too, whether they were doing additional T-hangars or hangars that were a revenue source for them. Not only the fuel those planes have, but they get hangar rental revenue, and property tax revenue for them.

Mayor Guess commented the City already owns a lot of the land out there.

Alderwoman Williams asked if most of the planes were privately owned.

Deputy City Manager Rodney Miller replied yes.

City Manager Warren Wood advised they were taking up prime space for larger hangars.

Deputy City Manager Rodney Miller mentioned they had looked at 46 feet wide hangars, which would be the length of their wings going in. He thought it was 30 plus feet deep and 12 feet high. It was like a garage with a walk-in door for access. If they get the smaller planes out of the bigger hangars there would be more room for the jets. He referred to a gentleman from Michigan who was anxious to get his plane into a hangar at the airport. His house had been delayed so he had not moved yet. This man used to race speedboats. Now he owns a classic car transportation company.

City Manager Warren Miller commented a lot of exciting stuff. They were going to have a runway of over 7,000 feet when the extension was done. They were still getting some cargo at the airport.

#### VIII. Budget Workshop – Deputy City Manager Rodney Miller

Deputy City Manager Rodney Miller presented a PowerPoint presentation. He thanked Deisy Zavala for making his presentation look much better than what they typically see. He discussed next years budget. Council would receive a condensed version of the budget at their next Council meeting.

City Manager Warren Wood advised the things that people were interested in the annual budget were the tax rate, and new positions. They had discussed the more exciting stuff. Some of the projects were not part of the annual budget, but oftentimes funded with debt through the annual budget. There were very little changes every year with the annual budget, tweak the water and sewer rates. He noted it was very incremental in nature.

Deputy City Manager Rodney Miller commented there was an employee standpoint, and the citizens perspective as well as the taxpayer. They were not planning a tax rate increase. They had raised taxes, the first increase in 2010 of two-cents, and in 2021 they had a four-cent tax increase, a total of six cents. He mentioned when citizens considered the bonds, they planned a 6-8 cent property increase. They had only had a six-cent increase because they had seen development and growth in other areas, and they had been very efficient with the increases. They had been able to absorb all the bond increases debt with a six-cent tax increase. They

were not proposing anymore for next year. In the revenues they had been very conservative with that. They only account in the upcoming budget the revenue they have in hand in the current year. They were not projecting any growth. They knew there would be growth. They had talked to the County, and he knew there was a certain number of millions of dollars sitting in the property tax system at Catawba County that would be billed, but they were not accounting for that. They want to be very cautious and very conservative. Not only with property tax and also with sales tax and they would see it with water and sewer rate increases as well. They had continued to dedicate two cents of the property tax rate, a little over a million dollars, set aside in capital reserve every year. They have multi projects that they still would like to do, so they like to put that money aside every year. He talked about inflation. Inflation was at 8 percent. They were proposing to increase their contingency in next year's budget in case they have got situations that happen where they need additional funds. He discussed debt service. All of the \$40 million dollars in general obligation bonds had been issued. All of that debt would be in the budget. The years they were issued were 2018, 2019 and 2021. They would now have to pay that back over 20-years.

Assistant City Manager Rick Beasley asked what the highest rate was.

Deputy City Manager Rodney Miller advised it averaged about 1.49 percent fixed for 20-years.

City Manager Warren Wood advised they would be earning more on their money moving forward with what the interest rates had done versus what they paid for interest on their debt, which was a great position to be in.

Deputy City Manager Rodney Miller discussed the City's bond rating, Aa1/AA+. The rate was stable, and they hope to at some point go for the AAA rating but at this point they were not ready to do that because they were not in the market with debt anymore for the upcoming year. The City was AA, the highest AA they could get. AAA was the next rating up that they were shooting for. He discussed operating capital. He noted the fire department was proposing a fire truck next year and they have to plan because those trucks were expensive, an \$800,000 fire truck. The schedule called for another one the following year. They had fire truck needs back-to-back years coming up. He advised they replace police vehicles every year. They do not want to get behind in that. They do 10-15 police vehicles per year which was also included in the budget. He mentioned what staff does each and every day. He commended Parks and Recreation and the Library for the number of programs they do each and every day. The City has amenities that they need to showcase not only to residents, but to the visitors. He referred to the job that each employee does every day that contributes to the success of the City. He noted last year they brought fund balance appropriation down. That was how they balanced the budget, and they were doing that again this year. They were bringing it down \$250,000 for next year. They do not want to continue to rely on fund balance to balance the budget.

Alderman Wood asked if they were in a multi-year contract for police vehicles.

Deputy City Manager Rodney Miler responded no, they buy from the State contract, and each year the State contract pricing was updated.

Alderwoman Patton inquired about the balance of fund balance.

City Manager Warren Wood advised 15 something at the end of this past year.

Deputy City Manager Rodney Miller commented they were at 30 percent.

City Manager Warren Wood mentioned their goal was at 25 percent. He discussed the last time the fuel prices spiked they had to increase the fuel budget. They left an elevated fuel budget and were okay based on what they have in the budget for the coming year because they never reduced it.

Deputy City Manager Rodney Miller referred to a bucket truck that was in the budget. They had been renting a truck, and they felt like they needed to buy one. They thought they could save money in the long term by investing in the truck. They also had turnout gear for the fire department, normal things that they have to fund every year.

Deputy City Manager Rodney Miller discussed the personnel changes. There were not many. He advised the only new change was a Business Services Coordinator in the Office of Business Development. They were converting a part-time position to a full-time position, to help with business recruitment and retention/data collection and analysis. He advised they had the addition of six personnel in public services that had been in the budget, but they were vacant. They were proposing to hire those positions to maintain the Hickory Trail System.

Deputy City Manager Rodney Miller referred to the PowerPoint and displayed a list of inflationary pressures. This hits citizens as well as employees. They have to make decisions based on the best interests of both of those groups. He noted the Feds had raised interest rates and there would be more along the way hoping that gravitates to less inflationary pressure. They have to



adapt to those and make the best decisions they can for the employees and the citizens.

Deputy City Manager Rodney Miller discussed recruitment and retention efforts. The City was no different than any other entity as far as employee shortages. In the Manager's budget message, they were proposing a cost-of-living adjustment (COLA). He mentioned some of the City's peers were doing that and many of them were proposing a COLA next year as well. They were planning to add \$1,000 to each employee's base starting July 1<sup>st</sup>, which would be spread out over 52 or 26 pay periods. That would help with the incremental inflationary costs. In addition, last year they did a 2.5 percent meets and 3.5 percent exceeds for performance evaluations, they were proposing a 3 and a 4 percent increase to be given in August. He mentioned that Catawba County was doing 5 and 6 percent on their increases, plus they are giving quarterly bonuses to their employees. They hear it from the employees that the County was doing more, and they were. At this point they were not proposing that, they had certainly tried other means. Primarily in Public Services/Public Utilities Departments, they were down at one point to 50 positions in those two departments. They started sign-on and referral bonus programs. They had a handful of folks who had accepted that. They were actually getting more referral bonuses. They came up with that and had seen some success with that. In police they had a major problem with recruiting and retaining those officers. They were put on a separate pay plan last year and were doing the same thing for the fire department this year. They do not have as a significant problem in the fire department as they did with police, but it was still a problem. No department was immune from workforce challenges, like they were seeing in other industries. Putting fire and police on a separate pay plan gives them more flexibility and helps with lateral transfers. He used the finance department as an example. They normally do not have lateral transfers because they were trying to develop that talent from within. If they have a Sergeant with the police department or a Captain with the fire department from another jurisdiction that moves here, they need to slide them into the pay plan based on their experience in what they need as a department. They were doing that for next year. He mentioned the service department, finance, human resources, technology, and communications, those employees are what keeps them running. Those salaries were built into the \$60 million dollar budget called the general fund.

Alderman Wood asked about the \$1,000 employee increase on the base pay.

Deputy City Manager Rodney Miller explained it was added to the base. If they were making \$30,000 add \$1,000, they would make \$31,000 effective July 1<sup>st</sup>, ongoing. It stays on the base pay. He explained the \$1,000 helped the lower income employees more than a salaried individual or a higher-level employee. If they are making \$30,000 and get \$1,000 added to base that was a little over 3 percent. If they are making \$60,000 employee and they get \$1,000 then they are getting about a 1.5 percent. It rewards and helps those lower income employees better than it would a higher person on a percentage basis. The percentage was going to impact the higher earners more than the dollar.

Alderman Wood asked if there was a reason to consider doing it on a quarterly basis, like a quarterly bonus structure like the County was doing so they could see how persistent inflation was going to be.

Deputy City Manager Rodney Miller explained if they do a quarterly bonus they were given as a lump sum, \$250. That would result in higher taxes because you have supplemental wages, at least 25 percent tax on that, and it did not add to their base.

City Manager Warren Wood advised it takes about 40 percent of that amount out for taxes.

Deputy City Manager Rodney Miller advised by the time you have 25 percent supplemental wages and the State's social security it was about 40 percent in taxes. He noted there were pros and cons to that. They wanted to add that to the base, because then it is compounded, and a lump sum was not.

Alderman Wood commented this was a permanent increase in taxes basically.

Deputy City Manager Rodney Miller mentioned they felt like if they did not do something they were not going to be able to recruit and retain employees.

City Manager Warren Wood advised they had never done that before.

Deputy City Manager Rodney Miller advised the average salary was in the \$42,000 to \$45,000 range.

City Manager Warren Wood commented they could not compete with the private sector. There were employees that could leave for better paying jobs if they wanted to.

Deputy City Manager Rodney Miller discussed the water and sewer fund. It was a \$35 million dollar fund. They were proposing a 3 percent water and sewer increase. Inflation was 8 percent, and they were only proposing 3 percent. The average bill of \$57.68 would increase \$1.73 per month increase on those customers. They were not projecting any growth for next year; they

were just projecting what they had received in revenues for next year and they were dedicating \$1.3 million dollars for capital reserve. They had increased fund balance out. The costs needs were higher than the increase. They were proposing to use fund balance to balance the budget. They would see an increase of a couple of million dollars to fund balance. They have it in the bank right now for capital items. He pointed out there was a million-dollar capital need for one item, that was significant. They have various water and sewer line replacements that have to be done. We are a regional water and sewer provider.

City Manager Warren Wood commented they could have very easily asked to go up 6 percent, but they were going to dip into fund balance. The price of everything had gone up for everybody. They can not do that every year. Granite Falls was going up 5 percent on their water and sewer rate.

Deputy City Manager Rodney Miller mentioned that Granite Falls' bill to their customers was going to be \$70 for next year and the City's was going to average \$58-59. He advised they were proposing an increase of \$1 in the solid waste fund. The City has a high level of service in this particular fund. Residents get four trucks that go by their house and recycling every other week for recycling. The City has a good contract with Republic Services that they were locked into. They provide the recycling service. That would expire in another two years, and they would have to negotiate that then. In this fund the revenues continue to be self-support for all of their operations. He advised they need an automated garbage truck every single year for residential and those cost \$350,000. He noted that one dollar in solid waste was about \$350,000 per year. Unless they were generating revenues from the monthly increase, they had to figure out how to do that. In next years budget they have three large capital items that have to be replaced. In commercial recycling they did not have to add a truck for next year. With the costs of capital, they were still not self-supporting with operating in capital, even with a \$26 a month fee. That was that's funds plan for next year.

Deputy City Manager Rodney Miller discussed the airport fund. He referred to the PowerPoint slide and displayed a photo of a plane that would be the type that would fit in the T-hangar. He advised it was probably 20-22 feet wide wingspan and would fit. He mentioned they were starting to get more activity and interest at the airport. The property tax revenue on aircraft they had started cycling that off the general fund. They transferred \$250,000 in those funds into the airport fund in addition to the fuel sales, and they get hangar rental revenues. The more hangars they build the more that will increase. He advised they put \$50,000 in the budget for next year for new hangars. As the tax base increases and more planes that increase would go to Burke County and then Burke County would continue to pay half that increase towards hangars.

Alderman Wood asked if that fund was self-sufficient.

Deputy City Manager Rodney Miller advised for next year this fund had a surplus, they had a healthy contingency in there built in. He referred to the emas system and advised they would have to have a ten percent match and they had to build up some funding for that ten percent match. The cost of that system was approximately \$4-\$5 million dollars. That was \$400,000-\$500,000 they would need for that match for that project. He referred to the construction of the T-hangars and displayed a photo. They would probably need a half of a million dollars to do 12 of those hangars. He was investigating what they could charge for those hangars and see what they would be willing to pay. Get them locked into a contract so that they could pay those T-hangars off.

Deputy City Manager Rodney Miller advised at Council's next meeting they would ask them to call for the public hearing and they would receive a condensed version of the budget book; it would not be the whole 300-page document. The City Manager would recommend the budget to them with a Budget Ordinance and on the June 7<sup>th</sup> City Council meeting they would consider approval of the Budget Ordinance and next years budget. He advised they could make changes if necessary.

City Councilmembers took a break at 3:15 p.m.

IX. Virtual Tour – Governmental Affairs Analyst Sarah Prencipe

City Councilmembers reconvened at 3:30 p.m.

City Manager Warren Wood advised over the last few months they had Governmental Affairs Analyst Sarah Prencipe out doing some recon in other communities that might have some ideas to bring to the City, in terms of when they start thinking about what was next. He noted there may be some places where they might want to visit.

Governmental Affairs Analyst Sarah Prencipe presented a PowerPoint presentation. She advised that with each of the cities she visited she would come back and present a presentation to City Manager Warren Wood and Assistant Executive Manager Yaidee Fox that would be at least an hour long for each visit. She would be glad to answer questions or give them more information if they so desired. She began with her visit to Greenville, South Carolina. Some Councilmembers

had visited there over ten years ago. She showed photos and pointed out the typography of the area. She displayed photos of Gather, a business in a shipping container. She added that this was a trend that had started in California and migrated to the east coast. There were containers that made up a food court. She advised it was a small area, maybe less than a quarter of an acre located right outside their baseball stadium. She showed photos of an area similar to Old Lenoir Road, an art district. They had created connectivity between the buildings. It had a downtown feel without being downtown. The area was very walkable.

Ms. Principe discussed Spartanburg, South Carolina. She noted the extensive trail system. She discussed the northside initiative. This previously was a crime ridden, low-income area. They put in Edward Via College of Osteopathic Medicine. She advised they specifically put it in an area that needed to be revitalized. She showed photos down the road from this location which was a state-of-the-art community center. She shared photos of the public housing facility and farmer's market area. They had bike parking and a hub city herb garden area and trails to add connectivity. She noted the location was 2-3 miles from downtown. She displayed mixed-use housing photos, part low-income, partial market rate.

Ms. Principe discussed Rock Hill, South Carolina. They were continuing to make strides to do new things. She shared photos of Ebenezer Park in York County. This park offered campsite to be used for overnight campers. She shared photos of the Riverwalk District.

City Manager Warren Wood commented there were a lot of similarities to the layout in Hickory on the Riverwalk.

Alderman Zagaroli asked about the option to sale or lease some land along the river.

City Manager Warren Wood advised they do have that option.

Ms. Principe continued with her presentation and displayed photos of the Pumphouse Restaurant that sat on their trail. She shared photos of the BMX track, and the developer owned area. She noted the trail was just off the side of the restaurant. She showed photos of housing located near the Pumphouse, the trail, Riverwalk, and Riverwalk Town Center. She noted they had done a great job with branding. There was a lot of vacant land still out in this district. She noted the BMX area brings in a lot of tourism. She displayed photos of the Riverwalk Industrial Park and advised this was Knowledge Park, a new initiative that just started. This was their innovation district. She noted the downtown location and Winthrop University. She showed the connection between downtown and the college. She showed a photo of the cotton factory and the display of public art.

Alderwoman Patton inquired if the artwork was commissioned.

Ms. Principe did not know. She shared a photo of creative office and retail space being renovated and the new construction of the sports complex. The sports and event center were located in the innovation district. She showed photos of student housing, a parking deck, apartments that were being built, and a hotel.

Ms. Principe discussed Kingsport, Tennessee which had a similar population as the City of Hickory. She displayed photos of their City Hall and Library. She displayed photos of the Kingsport Academic Village which was formerly an underutilized area. She compared this area to the Workforce Solutions Facility. She noted a facility that training was offered in. They had a paper company that shut down and was later turned into a cardboard factory. The facility trained the laid off workers from the paper factory to work in the cardboard factory. The business community, and school both worked together to train the workforce. She shared a photo of their farmer's market. The city owned the farmer's market and when it was not in use it was rented out for other types of events. They also had a Riverwalk. Not a lot of development, more of a nature walk. There was a restaurant located on the trail, Riverfront Seafood Co. She displayed a photo of Miracle Park at Brickyard Park which was a playground for children with all different types of abilities. It also had a baseball field. She noted that different spots were sponsored and paid for by different entities. It won an award for the State of Tennessee.

City Manager Warren Wood commented they had discussed doing more at the Zahra Baker All Children's Playground.

Ms. Principe discussed Johnson City, Tennessee which was in the middle of revitalization. She shared photos of the farmers market which had easy access to vendors. It was the center piece of their downtown. She pointed out their signage and noted they had a great logo. She showed trees which were decorated for Christmas. The trees were sponsored by businesses, and they were all lit at night. She advised they had a creek that ran through their downtown. She showed two parks that were located on each side of downtown and the farmers market was in the center. She showed a photo of their centennial time capsule and a photo of the children's play area in downtown.

Ms. Principe discussed Lynchburg, Virginia. She shared a photo of Craddock Terry Hotel which

used to be a shoe factory. She noted the typography was similar to the City of Hickory. She shared photos of scooters. They had a nice wide walkway, but it dropped off. The whole downtown was sloped and very steep. The downtown had walking areas, seating areas and restaurant areas. She showed photos of their farmer's market. She showed a park area which had a splash pad. She showed photos of housing and of the typography. She mentioned they had an extensive trail, approximately 30 miles, both paved and unpaved but it all connected.

Ms. Prencipe discussed Atlanta, Georgia which was drastically different than Hickory. She showed photos of the Lakepoint Sport Complex, which was bigger than anything that the City of Hickory would undertake. She mentioned there would be some great ideas on things they could do for the Hickory Convention Center renovation. They had 10-12 basketball/volleyball courts. She noted they had cameras that were used for security, but they also use it to livestream the games if parents cannot attend the game. They also charge an admission fee to be able to livestream the game. She showed a photo of the volleyball nets that were connected to the ceiling, they were automated to set them out with a push of a button. She showed photos outside the complex which contained shipping containers for vendors to set up and sell their items. Some of them were used for local teams to store their equipment. She showed a photo of the Atlanta Battery. She advised they met with the Economic Development Director. She showed a photo located not right on the beltline but within a half mile. She showed a photo of a restaurant/brewery, an entertainment space, and the Krog Street District. She shared photos of a mixed-use area which was retail and residential, and photos of an area which had bikes and scooters. She advised the trail system was 10 feet wide. She showed photos of the Food Court/Hall, which was located in an old, revitalized building. The Food Court/Hall was very trendy. She shared photos of their farmers market which was a city owned facility. She advised it was open every day, year-round.

Ms. Prencipe mentioned she started with the City 11-years ago and Inspiring Spaces was just starting up.

City Manager Warren Wood advised they might have places they have been that they would like to share with them.

Citizen Bob Vollinger commented there were no overhead utilities in the presentation. He had walked the Rabbit Trail and walked the Riverwalk in Rock Hill and he had been around Winthrop College. They need to start somewhere.

City Manager Warren Wood asked for comments from Council.

Discussion ensued among Councilmembers. They discussed City-Owned property contiguous to the trails to put amenities on. The private sector would spring up all along the way to keep that going. They discussed areas like Highland Avenue, the Springs Road area, and Highway 70 west might start seeing some redevelopment. They discussed branching out into other areas, or do they continue to expand in the areas they were working on now. They thought maybe a little bit of both. They discussed the interest in the art community. They need to enhance what they have. They discussed the possibility of the containers/food court near the Riverwalk and development near the stadium. They touched on parking concerns. It was mentioned that Charlottesville, Virginia was another nice area.

City Manager Warren Wood advised that Ms. Prencipe also went to Franklin, Tennessee which was completely different.

Ms. Prencipe advised she went to Danville, Virginia which was similar, and they had possibly struggled more than the City of Hickory had economically. They had a great revitalization story. They have old tobacco warehouses that have been revitalized and are beautiful, but it was not something that matched anything that Hickory has.

City Manager Warren Wood mentioned that other cities are looking at the City of Hickory. He noted that Statesville and Hendersonville had come. He thought that Greenville was attractive to the next generation.

Ms. Prencipe noted she did a study on northwest Arkansas, but you could find so much information online. She had called and spoke to some of the staff. They do not have to be limited on where they could drive to in a day, in being creative and thinking outside of the box they could look anywhere.

City Manager Warren Wood mentioned northwest Arkansas had done an outstanding job branding that region.

X. Feedback, Discussion, & Wrap Up – City Manager Warren Wood

Discussion ensued regarding parking, and how they could raise revenue to create more parking. There was a fund that they could use which consisted of fines and fees. When you visit a really good downtown you expect to pay to park, and you expect to walk. That would be a policy

decision. They mentioned scooters on the sidewalk downtown. It was mentioned there were some challenges with scooters. Raleigh had banned them from their downtown.

Alderwoman Williams liked the education panel.

City Manager Warren Wood commented they appreciated the opportunity to speak to Council.

Alderman Zagaroli commended City Manager Warren Wood and Staff for the wonderful presentation. He thanked him for running the City as well as he has run it.

City Manager Warren Wood commented on the great staff the City has. He was looking forward to another good year.

Deputy City Manager Rodney Miller mentioned the partnerships. He commended the teamwork of the staff and what they had done to operate the City. There had been a lot of behind-the-scenes work.

Alderman Wood felt that customer service made a big difference.

City Manager Warren Wood referenced the turnover of new folks in some of the Manager's positions and building of new relationships. Dr. Hinshaw had said that does not happen everywhere. What the City has was really unique in partnerships. He thanked City Council for their work and all they had done. He knew that they had some tough rezonings and had to make some tough decisions.

XI. At approximately 4:32 p.m. the discussions concluded, and the meeting was adjourned.

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Mayor

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City Clerk